

BUSINESS WEEK

← YEAR
AGO

← WEEK
AGO

← START
OF WAR
1939



Men with their heads together

BUSINESS
WEEK
DEX

TWENTY CENTS • PUBLISHED BY THE MCGRAW-HILL

*"--the good of the community must come
before profits to the individual"*

SOUNDS all right, doesn't it, until you look behind the smug faces of the reformers who mouth such statements.

The truth is that the worst thing you can do to the community is to destroy opportunity for individual profit. Millions of America's jobs have been created by Americans in search of a profit—they went into business for themselves, prospered, grew big, and so created jobs for millions of others. Jobs that never would have existed if the chance to make *and keep* reasonable profits had not been open to those ambitious Americans—and if the fear of losing their life savings had

not driven them to superhuman effort.

If that chance for profit and that fear of loss are taken away in America, your chance for a better job will be taken away with it—probably your chance for a job at all. So look out for the glib words of reformers. That idea, "the good of the community must come before profits to the individual" is one of them. It was made by a well-known reformer. Adolph Hitler.



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In war or peace
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From jitterbug ride to velvet glide — by rubber

A typical example of B. F. Goodrich development in rubber

THE postwar bus is already developed —and jiggles, bangs, bounces, and bumps are gone. Years ago, B. F. Goodrich engineers realized that, in addition to rubber tires, the shock-absorbing qualities of rubber could be used in springs, too, for greater riding comfort. Finally, just before the war, they developed a "rubber hip" that suspends an automobile or bus body in soft, cushioning rubber. This device, the resilastic spring, is a steel cylinder placed lengthwise to the frame. Inside a shaft. Space between cylinder and

shaft is filled with rubber, attached by permanent bond to both metal surfaces. The weight of the bus gives a slight twisting action to the rubber.

Road shocks are lost in the rubber —they cannot pass through it to the car frame. The result is the "velvet ride" that has been the aim of automobile designing for decades.

War put a stop to use of natural rubber for this new spring. But now enough synthetic rubber has been released by the government to equip new Twin Coach buses badly needed for

wartime transportation... their passengers will be floating on rubber and sitting pretty.

Some automotive men say the bus developments of today will be on your automobile tomorrow, so the rubber spring for the velvet glide may be on your postwar car —another contribution of B. F. Goodrich research. *The B. F. Goodrich Company, Industrial Products Division, Akron, Ohio.*

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BUSINESS WEEK

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NEW JOB FOR BYRNES?

straws in the Washington wind point to another shuffle in top Administration jobs. It may not come, but the situation lines up this way:

President Roosevelt badly needs a top-class liaison man and general fixer to supervise presentation of his foreign program to Congress. This will be a full-time job for many months. It will begin when the Bretton Woods agreement comes up for ratification, and will reach its most ticklish stage when Congress goes to work on the Dumbarton Oaks Plan.

A logical man for this liaison job is War Mobilization Director James F. Byrnes, who probably has more influence with Congress than any other member of the executive branch. In the present setup he stands second only to Roosevelt at the top of the official staff.

Mean Trip a Build-Up

Byrnes' friends make much of the fact that Roosevelt took him to the Lend-Lease Conference and that he was the first official to hustle home with a report to the country on the doings of the Big Three.

Byrnes himself was reluctant to leave the country—he was roundly criticized in the press and by other officials for departing in the midst of the fight for manpower—but Roosevelt overrode objections. Byrnes' supporters concede that the President wanted to give him a sendoff in the international set, even if it meant taking him away from the home front at a critical time.

Byrnes' inclusion mollified senators who had demanded that there be senatorial representation at the Big Three meeting.

Vinson Eligible, But—

Difficulties—aside from the fact that Byrnes may not want to play midwife to American foreign policy—arise from the problem of filling his place in the Office of War Mobilization & Reconstruction.

A possible successor to Byrnes in WMR would be Fred M. Vinson, head of the Office of Economic Stabilization, who was slated to step up last autumn when Byrnes planned to get out of the government. If Vinson took over as War Mobilization Director, WMR probably would be closed out as a separate agency.

Vinson, however, is unofficially tagged

for the job of Federal Loan Administrator, assuming that Congress pulls the Reconstruction Finance Corp. and its subsidiaries out of the Commerce Dept. If Vinson is not available, Roosevelt may be hard put to find a man to boss the RFC empire. The RFC will figure too importantly in the postwar economy for Roosevelt voluntarily to let control of it pass outside the official family, but after the row over Henry Wallace, Congress will be hard to please.

All this puts a new twist on the old Washington game of musical chairs. This time there are more chairs than eligible occupants.

CONTROLS ON LENDING

Henry Wallace will probably get a stripped-down cabinet job next month, but President Roosevelt will have exchanged for it much of the freedom from Congress his lending agencies have enjoyed.

Though initial excitement over the President's nomination of Wallace to succeed Jesse Jones as Secretary of Commerce has somewhat subsided on Capitol Hill, and the prospect of his defeat for the single cabinet job is dim, Congress appears to have learned a bitter lesson.

Restoring the Federal Loan Agency,

Plan for Reconversion: No. 2

In spite of the official crackdown on reconversion talk (BW—Feb. 10 '45, p. 5), WPB has been quietly working up a new V-E Day plan to guide resumption of civilian production after Germany goes under. In doing so, it is acting on specific instructions from War Mobilization Director James F. Byrnes.

• **Final Draft by Feb. 23**—On Jan. 20, Byrnes directed WPB Chairman J. A. Krug to "formulate and put into effect such plan or plans" as may be necessary to provide for the shift of facilities resulting "through anticipated curtailments or terminations or nonrenewals of war contracts."

By Feb. 4, the first draft of the plan was complete. Krug is to present a final version to Byrnes by Feb. 23.

Public announcement is scheduled for the latter part of March, the military situation and official propaganda policies permitting.

• **Plant-by-Plant Basis**—In its present form, the V-E Day plan has none of the sweeping character of last summer's proposal for across-the-board removal of controls (BW—Sep. 16 '44, p. 15). It would put reconversion on a plant-by-plant basis under the close supervision of Area Production Urgency Committees. In this respect, it is merely a glorified version of the present spot authorization system (BW—Jul. 22 '44, p. 15).

Under the new plan procurement agencies would report anticipated cutbacks to an interagency Program

Readjustment Committee. This committee would receive general notice of all important cutbacks as soon as the military decided upon them, and it would receive full details at least two days in advance of any reduction in a contract involving \$100,000 or more, or the layoff of 50 or more workers.

• **Jobs for Freed Plants**—By themselves, these provisions don't assure any better reporting of cutbacks than WPB has received in the past (when it often read the news in the press release), but officials hope that Byrnes can make the military fall in line this time.

The Program Readjustment Committee would have the job of recommending the general use to be made of facilities released by cutbacks. Its recommendations would be passed on to local Production Urgency Committees, which would make the final decision on a plant-to-plant basis.

• **Military Has Veto Power**—The new program fits in neatly with the trend of the military's thinking. It makes no specific assumptions as to the amount the war program will be cut back on V-E Day, and it could be put into effect without a general relaxation of the major controls over production—the Controlled Materials Plan, conservation and limitation orders, and the like.

Since the Army and Navy are represented on the APUC's, they would retain what amounted to a veto power over resumption of civilian work in any particular plant.

WHO WILL OWN THE SKIES?

Tomorrow, the skies will be as free as the seas. Farsighted agreements between the United Nations are making them so.

They will be free for the building of a vast and dynamic world trade—and for the development of *leadership* in global commerce. A significant portion of the world's goods will sail the sky lanes in peace.

Only silent skills of laboratories and workshops, the patience of research and the triumphs of vision, can insure America's rightful leadership in this new world of peaceful commerce.

Among America's finer engineering and research organizations, Fairchild has helped underscore America's leadership in the skies.

Since 1923, Fairchild research has pioneered in aircraft development . . . built the first modern plane—"The Packet"—specifically designed to carry cargo . . . a flying boxcar that transports tons and tons of freight; has a range in excess of 3500 miles.

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Pioneers in developing the inline air-cooled aircraft engine, Fairchild engineering and research have succeeded in packing greater power in a smaller package with each successive Ranger model.

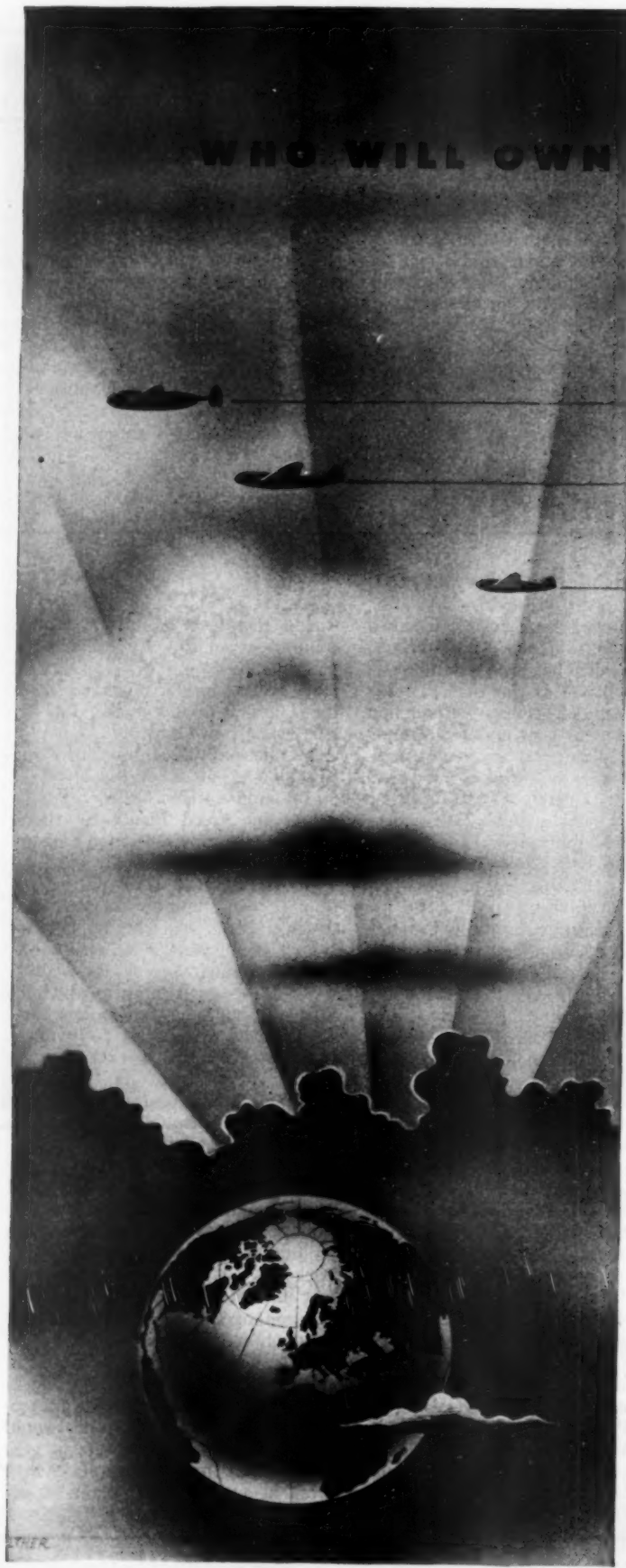
These are but some of the products of Fairchild research, ever-probing, perfecting, producing for America's airpower.

In the peace to come, Fairchild engineers will continue their tireless research to combine precision with power . . . to create for America's leadership in the skies many a new Fairchild "touch of tomorrow in the planes of today."

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its powerful Reconstruction Finance Corp. to independent status is the first move by Congress to gain its control over federal spending. Even congressmen who favored the Wallace appointment, or at least did not openly oppose it, were shocked to discover the extent to which they had relinquished control. At the war's end, not before, Congress will tie down federal corporations, which have made the Administration independent of congressional appropriations in some cases. Many members hope eventually to eliminate most of them.

POLITICAL SELECTION?

In appointing Harold E. Stassen, former Republican governor of Minnesota and a Navy commander in the Pacific, as a delegate to the next United Nations Conference on World Organization in San Francisco (page 15), President Roosevelt started a train of speculation which heads straight into 1948 presidential politics.

Would Roosevelt rather see a liberal, internationalist Republican win in '48 than an actively anti-New Deal Democrat? It could be—or at least so think the Washington gossips. And as for choosing between Stassen and Henry Wallace, he might be satisfied with either.

But one doesn't have to go beyond the San Francisco conference to justify Stassen's appointment. Roosevelt wants Congress and the American people to embrace the Dumbarton Oaks Plan. Stassen can help greatly to that end.

FOOD SUPPLIES DROP

The gloomiest food news since the war began will be issued next week by the Bureau of Agricultural Economics. Supplies of meat have fallen far below early winter expectations, winter vegetable crops are short of demand, and potatoes are running out rapidly due to military set-asides. Eggs are sharply below last year's record lay, butter will continue to be a deficit item, and sugar is so scarce that rations may have to be cut again.

Only surpluses are wheat and feed for livestock, but the livestock population is sharply reduced from last year, particularly hogs, poultry, beef cattle, and calves.

BAE economists expect that little relief will come before next fall and winter.

War Food Administrator Marvin Jones warns that food shortages will be "serious" unless city people plant victory gardens and help farmers with crops.

NO PRICE-ACT BATTLE

Chances look good now that the Administration will not have a major fight on its hands over renewal of the price control act, which expires June 30.

Farm and food prices always have been the chief bone of contention, but the tip is that the congressional farm bloc, with the consent of the large farm organizations, will make no effort this year to raise farm price ceilings, either directly or indirectly.

Opponents of cotton textile ceilings—and those recently applied to cattle (BW—Jan. 13'45, p18)—may demand specific changes in the law, but OPA will strongly resist any such proposals. And, lacking full farm-bloc support, restrictive amendments are likely to fail.

PATENT RULING ASKED

The Justice Dept. shortly will bring suit for cancellation of basic Hartford-Empire glass machinery patents, the course suggested by the Supreme Court when it held that the antitrust laws can't be used to nullify patent rights (BW—Jan. 13'45, p20).

In the meantime, however, the Justice Dept. is asking the court for a "clarification" of its decision on the ground that it could "bring about results which could hardly have been intended."

Among other things, the antitrust lawyers would like to know specifically what the court means by "compulsory licensing at reasonable royalties." They would also like assurance that the lower court still has the power to order Hartford's dissolution—the traditional remedy in monopoly cases—if time discloses that compulsory licensing of patents is not effective in terminating alleged monopolistic conditions.

TEXTILE PLAN SALVAGED

The joint WPB-OPA textile and clothing program is stumbling a little, but it hasn't bogged down yet.

Trade objections have knocked a good many chips off the program, as originally projected (BW—Jan. 27'45, p16)—WPB has practically given up

the idea of limiting production of non-essentials, for example—but it looks as though most of it will survive and be announced piecemeal during the next few weeks.

Professional consumer groups protested last week when it looked as though much of the program might be thrown overboard, but real support is coming from OPA and from Economic Stabilization Director Fred M. Vinson, who is counting on joint textile controls to keep the cost-of-living index within bounds.

Present and impending food shortages make it plain that food prices can be rolled back no further—may even rise—so that textiles must now be used to stabilize the index.

FIGHT ON SUBSIDIES

A stiff fight may develop over continuance of the direct consumer subsidies paid by the Reconstruction Finance Corp. on meat, butter, and flour, although the producer subsidies paid by the Commodity Credit Corp. are already on their way to amicable settlement (BW—Feb. 3'45, p7). Affirmative action by Congress is requisite to continuance of the RFC subsidies after June 30.

Sen. Robert A. Taft and others, who bitterly opposed consumer subsidies last year, will fight continuance. Best guess is a compromise whereby the meat, flour, and butter subsidies will be paid for another year, but any increases in rates or extension to other products will be barred.

FM TELEVISION RIFT

The entire future status of television and FM (frequency modulation) may be changed by the Federal Communications Commission's decision to admit new testimony in oral argument Feb. 28 on frequency allocations above 25 megacycles (BW—Jan. 20'45, p17).

Both the Television Broadcasters Assn. and FM Broadcasters, Inc., at odds over the proposed allocations, claim they have information not available during the allocation hearings last fall (BW—Jan. 20'45, p17).

Meanwhile the battle lines are drawn, with the FM group contending that movement of the FM band from its present location (42 mc. to 50 mc.) to 84 mc. to 102 mc., as proposed by the FCC, would make obsolete 500,000 sets. The television association is ready

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to submit figures, showing that less than 200,000 FM receivers have been made.

FLOODS UNLIKELY

This winter's heavy snow holds almost double the water of the snow of 1936 which caused disastrous floods from Maine to Virginia, but floods are unlikely this month. However, there may be trouble in March, according to the U. S. Geological Survey.

Past records indicate that more snow—rather than melting rains—can be expected. Thaws in themselves aren't usually dangerous, but when temperatures of 50 F come with high humidity and rain, rivers often get out of bounds.

Because ground water levels are high in the East (there's a drought in Ohio), early March rains could be serious. On the other hand, frost is not deep, hence the earth can be expected to sop up still more.

CAPITAL GAINS (AND LOSSES)

Sen. Pat McCarran of Nevada may be offered a judgeship. Object is to get him out of the Senate, where his opposition to ratification of the Mexican water treaty and his isolationist leanings vex the Administration. Just reelected, McCarran may prefer to stay in the game.

Washington is hard hit by the shortage of swivel chairs. Makers are heavily engaged in other war work.

Following the ban on racing, aluminum horse shoes have been removed from price control by OPA; they are no longer a factor in the cost of living.

OPA reminds the public that "since consumers who buy used cars are not subject to penalties under the price ceiling regulation, buyers should feel free to report any violations." Some buyers have already found that they can pay whatever is necessary to get a good used car, report to their local OPA board that they were gypped, get a refund of the difference between the price they paid and the legitimate ceiling—and keep the car.

Administration officials are not above hoping that Tin Pan Alley will find inspiration in Malta to Yalta.

—Business Week's
Washington Bureau

THE COVER

At Yalta they sketched an outline for the end of the war, and the return of peace but the communique needed filling in (page 15).

PLAIN TALK ABOUT PLASTICS

"Plastics Aboard to Stay"

U. S. N.



Remember the critical shortage of many metals and rubber during early days of the war? . . . and plastics were pressed into service as substitutes in countless uses.

It was reported that at the end of 1943 in 30 typical uses by the Navy, plastics had saved 3,500 lbs. of aluminum, 2,000,000 lbs. of brass, 400,000 lbs. of rubber, 100,000 lbs. of bronze, as well as a half-million or more man-machine hours and an appreciable amount of money.

This job was important. But it was not nearly so significant as the future plastics users and buyers of the subsequent reports that the replaced materials became more abundant again, "plastics" continued to be used by choice.

Monsanto, at a particularly advantageous point with its broad versatile family of plastics, seen and participated in many cases where the "substitute" performed the "regular." Also, have seen entirely new plastics developed to meet totally new needs growing directly out of demands, e.g., Styramic HT radar engineering, vinyl butyrate for waterproofed fabrics, reinforced Vuelite for shatterproof glazing.



To keep you informed of rapid developments in plastics, Monsanto invites you to place your name on its mailing list for news and announcements about Monsanto's Family of Plastics. Write: MONSANTO CHEMICAL COMPANY, Plastics Division, Springfield, Massachusetts.

*Plastics, Vol. 1, No. 5, P. 84

MONSANTO
PLASTICS

SERVING INDUSTRY...WHICH SERVES MAN

THE OUTLOOK

BUSINESS WEEK
FEBRUARY 17, 1945



Prospects of peace in Europe seemed more real, more substantial, this week than ever before. Stock prices responded by surging to higher levels than any attained previously during the war (page 118).

Action of the stock markets is of more than ordinary interest. Heretofore prices have gone down on "peace scares." This time they appraised peace for what it is—the most desirable thing in the world.

News from the Crimea Conference (pages 15, 111) was encouraging—if only for the reason that it showed the United Nations were still united, particularly in their determination to prevent future wars of aggression.

Equally encouraging was the news from all the battle fronts.

Broad outlines of the Administration's postwar economic policy now have been drawn clearly enough to guide business thinking.

Foreign policy is, of course, keynoted by cooperation. This is emphasized by the President's message to Congress this week asking speedy action on the Bretton Woods monetary proposals (BW—Feb. 10'45, p120).

Aside from the influence such cooperation may have in maintaining world peace, it is designed to bolster the domestic economy through increased trade. Involved are investments and loans abroad—not to mention some outright gifts, no matter how cleverly these may be disguised.

At home, the White House (not just Henry Wallace) is on record as sponsoring made-work if industry fails to provide "full employment." Here, too, government loans and gifts are envisaged.

Businessmen find some phases of both the foreign and the domestic policies repugnant. Yet they now know at least how the lines are drawn.

How industry is to get from a wartime to a peacetime footing is less clear than what the government intends to make of the postwar economy.

The Army and Navy have frozen virtually all reconversion until after victory in Europe. **By smoke-screening their V-E Day cutback intentions, they have effectively blocked all planning for reconversion.**

Whatever type of manpower controls Congress may vote, the armed services' resistance to conversion will be further strengthened. Army wants the law more to prevent men from deserting war plants after V-E Day than for the labor that will be recruited for munitions industries now.

When materials become plentiful, Army would be able to say, "We must have this, that, and the other thing." Thus it could keep employment ceilings in force in areas where civilian output might otherwise start.

Under the circumstances, WPB can prepare nothing but the most preliminary kind of a program to eliminate virtually all controls on V-E Day.

Spot authorizations (for producing limited amounts of civilian goods) no longer are being granted. Yet enough progress was made before this program languished to provide for some civilian goods after V-E Day.

WPB received 6,258 applications for spot authorizations. It approved 4,768, turned down 1,490.

Bets that the cutbacks will top 20% in the first 90 days after Germany falls, will total between 30% and 40% within a year, still are good. This despite all the arguments of the armed services to the contrary.

Grant that little or nothing in the way of arms will be shipped from

THE OUTLOOK (Continued)

BUSINESS WEEK
FEBRUARY 17, 1945

Europe to the Pacific, there still will be enormous stocks of goods in this country to be added to the then current production.

Moreover, there are the greatly lengthened shipping distances.

Intensified efforts to boost production of critical arms are tying raw materials producers up in knots more and more.

Steel is being booked from June clear into November. Orders are concentrated in a few items, making scheduling of output all the harder. The setback to output due to weather (BW—Feb. 10'45, p10) doesn't help.

Zinc shipments in January set an all-time monthly record at 92,804 tons. Despite a huge stockpile, there is talk about tightening allocations.

Lead is getting increasingly short (BW—Feb. 10'45, p39), and the Army continues to clamor for more batteries for its vehicles. Here, too, there is talk of still more drastic controls over end use.

Aluminum, after last year's deep cutbacks, is being stepped up 10,000,000 lb. a month. This reflects big demand for sheets (which prompted the Army to furlough 1,000 men to the Alcoa rolling mills this week).

Antimony is a newcomer among the tight "minor" metals. Placed under allocation in May, 1942, supplies from Mexico and Bolivia increased to a point where controls were dropped on Dec. 4, 1942. Now so much of its oxide is being used to fireproof tents and to make flame-retarding paint for ships that WPB has been forced to resume strict allocation control.

Mining people in this country are encouraged by the Army-Navy Munition Board's ten-year stockpiling program announced over the week end.

Nobody knows how much of the 53 strategic and critical materials the services want to accumulate because military security shrouds the project with secrecy. However, surplus problems are seen vanishing.

Domestically mined metals on the list include copper, lead, zinc, vanadium, quicksilver, and molybdenum, just to name a few.

Good neighbors will be pleased, no doubt, by inclusion of nickel (Canada), antimony (Mexico), and copper (Chile).

Spain, looking for a market for its quicksilver, has thrown the domestic situation into first-rate turmoil.

The world's leading producer, Spain has offered to lay the metal down duty-paid in this country at \$160 a flask. Spot supplies remain tight in New York at \$170, but bidders will be few and far between for deferred deliveries until Spain's full intentions are learned.

Incidentally, the State Dept. will put up with limited Spanish trade until the United Nations get ready to settle that country's political problems. Ships will be withdrawn if the trade starts to grow much.

War Manpower Commission can handle present labor problems well enough if Congress doesn't complicate things with cumbersome legislation.

WMC placed 277,489 workers in top-priority war plants in 1944 by shifts from one area to another. Most important, interregional referrals stepped up from 96,796 in the first half to 180,693 in the second.

Legislation empowering WMC and WPB to clamp employment ceilings down tight on nonessential plants would polish off the job.

Fights Corrosion...so Water Fog can Fight Fire

Fog outside a ship is dangerous. Fog on or below decks—Water Fog—can save it from the worst peril of the sea—fire!

Water fog is man-made... sea water forced through a nozzle with screen holes so fine they make a vapor-blanket that smothers even raging oil and gasoline flames. And, equally important, water fog does not capsize ships with needless tons of water.

The screen for the nozzle that makes water fog must stand off the corrosive bite of salt water, yet stand up to terrific pressure despite its thin construction. Therefore, it contains a high percentage of Nickel—the tough metal which is used in alloys that fight rust and corrosion.

Already Nickel has helped water fog snatch blazing warships, carriers, troop transports, and even tankers, from Davy Jones' relentless grip—sometimes after burning for days!

*...just as it Fights Corrosion
in your Home Fire Extinguisher*

If fire strikes in your home or garage, your fire extinguisher must be ready—not clogged or frozen by rust or corrosion.

That's why many types have valve seats, discs and springs made of Nickel alloys—metals that stand up in "standby" service as well as in every-day use. In this, as in countless other ways, versatile Nickel is your "unseen friend"—part of your daily life, like the starch in your shirts or the salt in your food.

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BUSINES

FIGURES OF THE WEEK

THE INDEX (see chart below). \$ Latest Week *227.4 Preceding Week †227.7 Month Ago 231.3 6 Months Ago 235.2 Year Ago 239.4

PRODUCTION

Steel Ingot Operations (% of capacity).....	92.8	89.3	93.6	95.6	97.7
Production of Automobiles and Trucks.....	20,960	20,770	19,830	18,895	17,595
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$4,250	\$3,575	\$4,661	\$6,447	\$5,373
Electric Power Output (million kilowatt-hours).....	4,505	4,539	4,614	4,415	4,533
Crude Oil (daily average, 1,000 bbl.).....	4,729	4,723	4,723	4,667	4,399
Bituminous Coal (daily average, 1,000 tons).....	1,893	1,947	1,888	2,000	2,142

TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	76	78	79	83	79
All Other Carloadings (daily average, 1,000 cars).....	47	48	49	65	55
Money in Circulation (Wednesday series, millions).....	\$25,411	\$25,290	\$25,257	\$22,910	\$20,586
Department Store Sales (change from same week of preceding year).....	+11%	+17%	+2%	+5%	+2%
Business Failures (Dun & Bradstreet, number).....	14	16	25	16	24

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931 = 100).....	253.7	253.5	253.9	249.8	248.8
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	166.3	166.3	166.4	165.2	161.9
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	225.0	225.0	223.6	221.9	220.9
:Finished Steel Composite (Steel, ton).....	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
:Scrap Steel Composite (Iron Age, ton).....	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
:Copper (electrolytic, Connecticut Valley, lb.).....	12.000¢	12.000¢	12.000¢	12.000¢	12.000¢
:Wheat (No. 2, hard winter, Kansas City, bu.).....	\$1.66	\$1.64	\$1.63	\$1.50	\$1.63
:Sugar (raw, delivered New York, lb.).....	3.75¢	3.75¢	3.75¢	3.74¢	3.74¢
Cotton (middling, ten designated markets, lb.).....	21.51¢	21.45¢	21.83¢	21.38¢	20.80¢
:Wool Tops (New York, lb.).....	\$1.340	\$1.340	\$1.340	\$1.325	\$1.304
:Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.).....	109.5	108.4	108.1	102.0	93.5
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).....	3.41%	3.43%	3.46%	3.55%	3.72%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).....	2.66%	2.66%	2.70%	2.72%	2.74%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).....	1%	1%	1%	1%	1-1%

BANKING (Millions of dollars)

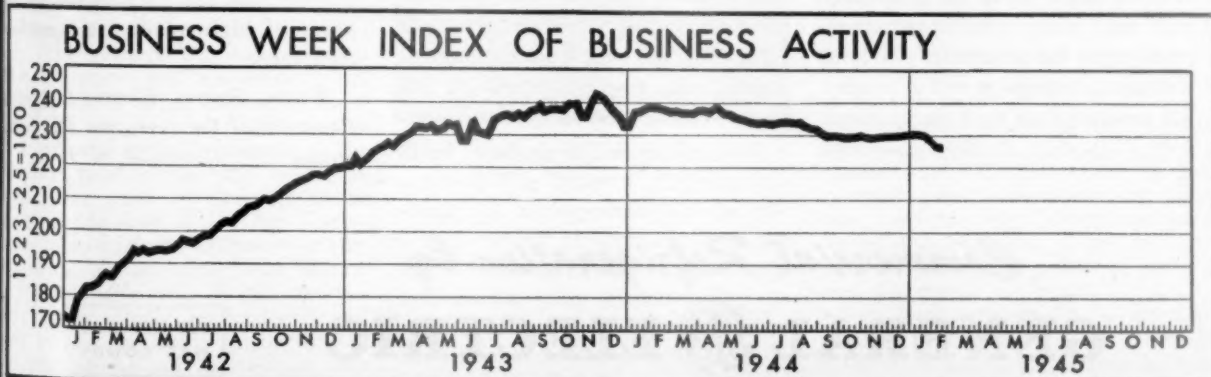
Demand Deposits Adjusted, reporting member banks.....	36,034	36,076	35,112	33,565	31,702
Total Loans and Investments, reporting member banks.....	59,007	59,246	59,560	56,524	53,256
Commercial and Agricultural Loans, reporting member banks.....	6,346	6,350	6,426	6,013	6,393
Securities Loans, reporting member banks.....	3,083	3,331	3,647	2,849	2,693
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks..	44,219	44,257	44,138	42,289	38,902
Other Securities Held, reporting member banks.....	2,936	2,882	2,918	2,939	2,828
Excess Reserves, all member banks (Wednesday series).....	900	1,000	1,300	1,049	1,444
Total Federal Reserve Credit Outstanding (Wednesday series).....	19,703	19,552	19,486	15,604	11,511

* Preliminary, week ended February 10.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.



Most locker plants built since 1941 have been located outside of metropolitan centers —by government order. All told, nearly 2,000,000 families have food lockers in some 5000 plants throughout the country.

You city folks ought to know about locker plants, too!



BECAUSE a half-billion pounds of food in private lockers takes just that big a load off overburdened food processing and distribution facilities, now. And because you may expect even more direct benefits later, when new facilities—often in connection with retail stores—enable city-dwellers to enjoy the economies of buying in larger quantities as well as preserving produce from their own gardens.

Complete locker plant service in-

cludes preparing and packing foods for quick freezing and low-temperature storage. In addition to processing rooms, there is the locker room which may contain as many as 1000 handy-size private compartments, individually locked. Each of these lockers normally provides the right degree of cold for frozen storage of meats, fish, poultry, vegetables, and fruit—nearly everything a family eats.

Most foods will retain their "fresh-

out-of-the-garden" flavor for a year or more in deep-cold storage.

Refrigeration equipment for locker plants is made by General Electric. It is just one example of the outstanding part G-E is playing in the development and manufacture of all kinds of high quality refrigeration equipment.

Write: *General Electric Company, Commercial Refrigeration Division, Section 5862, Bloomfield, N. J.*

Commercial Refrigeration by
GENERAL  ELECTRIC

**BUY and hold
WAR BONDS**

Tune in: "The G-E HOUSE PARTY," every afternoon Monday through Friday, 4 p. m., E. W. T., CBS. "The G-E ALL-GIRL ORCHESTRA," Sunday 10 p. m., E. W. T., NBC. "The WORLD TODAY," news, Monday through Friday, 6:45 p. m., E. W. T., CBS.

The Big Three Take Their Stand

Four major decisions at Crimea include plans for defeating Germany, restoring order in Europe, handling Polish question, and holding important world security meeting in San Francisco in April.

The military, political, and economic framework for the postwar world has been drawn in one of the briefest international conferences of the last ten years—at Yalta in the Crimea. But it will take a long time to fill in the mass of remaining detail (page 111) on which must hinge a complete business appraisal of the accomplishments.

• **Four Major Plans**—Briefly, Big Three decisions fall into four categories:

(1) Plans for the final battles of Germany, occupation of the Reich, and long-term control of the country—including the creation of a commission to determine and administer Nazi reparations.

(2) Plans for a meeting (at San Francisco beginning Apr. 25) at which details of the world security program originally outlined at Dumbarton Oaks will be completed.

(3) Plans for helping Europe to restore both political and economic order after the war.

(4) Plans for handling the difficult Polish question, which will be a kind of criterion for action in all countries where questions of territorial adjustment and major political changes are particularly serious.

• **Little Change in Strategy**—As far as military decisions are concerned, the Big Three had little to say because with the Russians almost within gun-range of Berlin, and with the Western Allies persistently battering their way through the Westwall, there was little necessity for saying anything.

• **France, the Policeman?**—Also, there was little news in the announcement that Germany will be divided into zones, each of which will be administered by one of the Allied powers. Not generally noticed, however, is the loophole—provided by the failure to specify the parts of Germany to be controlled by each of the Big Three—for the United States ultimately to step out of the picture except as an adviser.

It is possible that French forces—now being rapidly rearmed—will not only assume the major policing job in an internationalized Rhine-Ruhr area but also may be handed the task of cleaning out southern Germany should

fanatical Nazis decide to make a last stand there.

• **Vital to Business**—Industrialists all over the world have an important stake in two other aspects of the Crimea plan for settling with the Nazis.

The demand that the Allies “eliminate or control all German industry that could be used for military production” is vital to all those who once supplied Germany’s vast steel industry, its machine-tool and electrical equip-



If, as reported this week, Under Secretary of War Robert P. Patterson becomes U. S. representative on the Allied control commission over defeated Germany, he will be a military ambassador. His responsibility: to look after American interests in the demilitarization and political rehabilitation of the Reich as prescribed by the Big Three at the Crimea meeting.

ment plants, its locomotive shops and shipbuilding yards—all of them the biggest in Europe before the war.

• **Plans for Workers**—To the extent that these industries are located in the Ruhr and Silesian zones, they are likely to continue in operation either under international control (expected in the Ruhr) or as a part of some new state (Silesia will probably go to Poland).

German workers are expected to remain in any internationalized zone, and volume of production could easily continue at prewar levels, though the type of product could change to meet Big Three security demands. But in an area like Silesia, the Germans may be forced out to make room for Poles, and production would undoubtedly pass through a long and difficult transition period.

• **Reparations Studied**—The other aspect of the Nazi economic settlement likely to be of the most immediate importance to business is the reparations program to be worked out in Moscow by a commission yet to be named. Inevitably, however, it will include representatives of the countries that have been overrun by the Nazis, with the Soviet Union and Britain presenting the largest claims for war damage.

This mission will determine how far, for instance, Russia can go in asking that German labor battalions help to rebuild the cities, railroads, and mines that the Nazis destroyed in Russia and how German reparations supplies will be allocated among the Allies.

• **Significant Date**—Plans to complete the Dumbarton Oaks discussions at a meeting in San Francisco beginning on Apr. 25 are of dual significance.

In the first place, the combination of the place—a Pacific port—and the date—the day after the deadline on which Russia or Japan must give notice of its desire to abrogate the five-year neutrality pact—is likely to mean that Russia by then will have made it clear to Tokyo whether it intends to participate in the Far Eastern war.

The Russo-Japanese neutrality pact, which was ratified on Apr. 24, 1941, specifies that “in case neither of the contracting parties denounces the (five-year) pact one year before expiration [or by Apr. 24, 1945], it will be considered automatically prolonged for the next five years.”

• **Two Basic Reasons**—Of broader importance to the San Francisco meeting, however, is the announcement by the Crimea conferees that they have settled the last differences (over voting

powers) which confounded the Dumbarton Oaks conference.

At the earlier Dumbarton Oaks meeting, delegates of 44 United Nations agreed on the framework of a new "League of United Nations" (including the creation of a temporary council to serve until the new pact could be ratified by the individual governments of the United Nations) but split on one major issue.

• **Security Council**—Plan proposed at that meeting called for the creation of an eleven-nation security council on which the U. S., Britain, Russia, China (and ultimately France) would be permanent members. The remaining six places were to be assigned on a rotating basis to the smaller nations.

Voting powers of this group created an impasse at Dumbarton Oaks because Russian delegates insisted that the permanent members should have the right to veto all decisions before the council and even to veto proposals to bring any given subject before it.

• **Stalin Accedes**—At Yalta, however, a compromise proposed by President Roosevelt was accepted.

On all issues calling for strong punitive action or for resort to war, each of the Big Five members will retain its power of veto.

But Premier Stalin yielded to the Roosevelt proposal that in all cases which do not involve punitive action, decisions would be taken by a simple majority vote among the eleven-member

council and no parties to the dispute would have the right to vote. This emphasizes the importance which the Big Three attach to the stopping of disputes in their early stages by prompt international action.

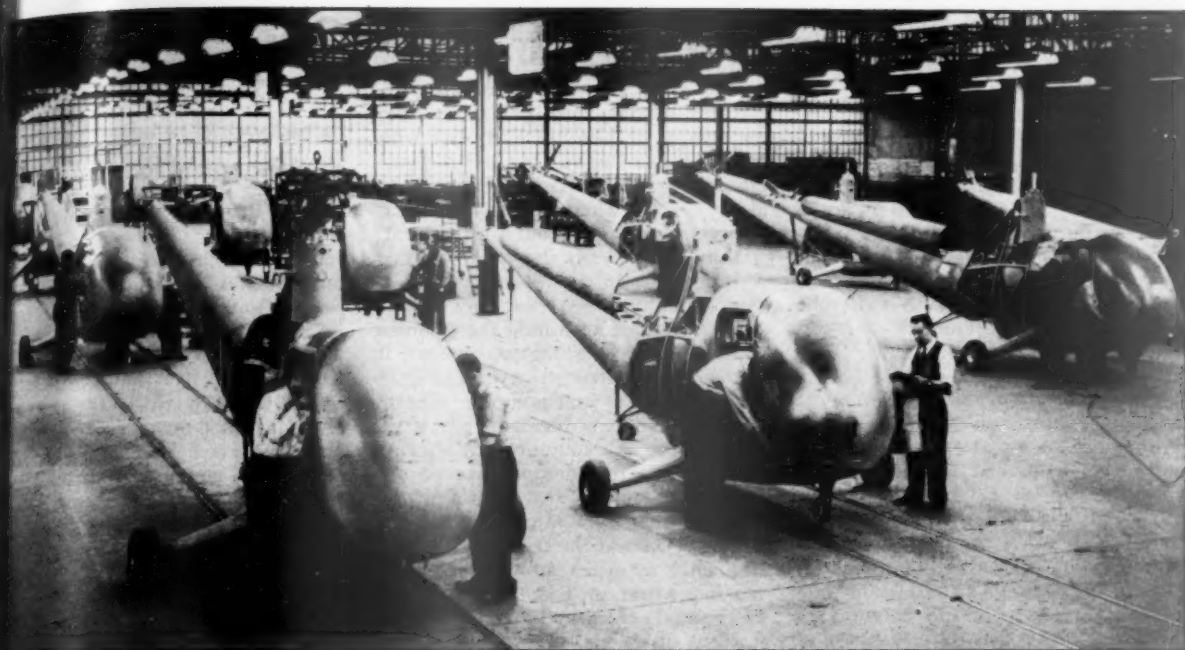
• **Dependent on Moscow**—The Polish question is handled bluntly and boldly.

By assuring Moscow the right to claim territory up to the Curzon line (though other territorial adjustments are left to international settlement), it is clear that Poland is going to become a Russian satellite, dependent on Moscow both in building its economy within the new borders that will be assigned to it and in maintaining its security in the face of a bitter and vengeful Germany.



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AUTO LINES SPEED HELICOPTERS TO WAR

Like automobiles, endless streams of the Army's R-6 helicopter roll along assembly lines of Nash-Kelvinator's Helicopter Division at Detroit. The rotary-wing craft, used

mainly for observation, liaison, and rescue work, is being produced in collaboration with the Sikorsky Division of United Aircraft Corp. Its mass production in Detroit follows only a year after the auto firm built its first R-6 mockup from Sikorsky blueprints (BW—Jan. 1'44, p26).

Mead Carries On

New management of the former Truman committee shows that investigating group still is going concern.

Members of the U. S. Senate pricked up their ears some three weeks ago when James M. Mead, successor to Harry S. Truman as chairman of the Special Committee Investigating the National Defense Program (BW—Jun. 26'43, p19), took the floor to carry out a painful duty."

Labor Hoarding Bared—In the language of investigating committees, the term "painful duty" usually means that something hot is on the way. Senators were particularly interested on this occasion because they had heard little from the Special Investigating Committee since last August when Truman became vice-presidential candidate and Mead took over (BW—Aug. 12'44, p7). Aside from hearing what he had to say, Mead's colleagues wanted to measure his idea of something hot against the old Truman standard.

Mead's performance was no disappointment. He and his fellow committee member, Sen. Homer Ferguson, re-

ported that they had just returned from a surprise inspection of the huge Norfolk navy yard, an establishment employing some 38,000 workers and holding manpower priorities for about 4,000 more. They said that they had found widespread evidence of labor hoarding, loafing, and unauthorized use of manpower. They had concluded that instead of needing more men, the yard could get along with considerably fewer.

As a sample of the evidence, Ferguson brandished a handsome walnut checkerboard inlaid with maple—made by a navy yard laborer on government time.

• **Surplus Disposal Probed**—This was on Jan. 22, just when the Army and Navy were giving Congress an intensive sales talk for national service legislation. By the time Mead and Ferguson had finished, they had caused consternation among military spokesmen. They had also given a final answer to the question of whether or not the former Truman committee would remain a going concern under its new management.

Since then, Mead has followed through by holding a series of hearings on surplus disposal which has produced headline testimony. Witnesses have charged the government disposal agencies with inefficiency and negligence. In at least one case, they have accused Defense Plant Corp. of letting itself be buncoed by auctioneers. The result

probably will be a shakeup in disposal methods and establishment of tighter controls before the big postwar disposal job gets under way.

• **Manpower Surveyed**—Mead also has announced that the committee is setting up shop temporarily in Detroit to poke into the scrambled manpower situation there.

These two items—manpower and surplus disposal—are the main subjects in the Mead committee's plans for 1945. Both will be emphasized in the annual report, which is due next month. At least one special report on manpower and a series on surpluses are now on the schedule.

Tackling the surplus problem, the committee has broken its investigation into three parts: (1) accumulation of surpluses; (2) disposal of surplus goods; (3) disposal of surplus plants.

The first report on accumulation—sharply criticizing the Army for failure to hold down unnecessary inventories—was published last December. This week a subcommittee which has just toured the North African war theater followed up with a report taking the Army to task for letting its records of property abroad get into a hopeless muddle.

• **Blank Check Opposed**—In the manpower debate (BW—Feb. 10'45, p17), the Mead committee favors strengthen-

ing the controls of the War Manpower Commission instead of reshuffling the whole system. It is dubious about full-blown national service no matter how administered, and dead set against anything that would give the Army and Navy a "blank check on manpower."

Just where the manpower and surplus disposal lines lead will depend on developments during the committee's investigation. From testimony at recent hearings, it seems likely that members will have ample reason to twist the tails of various government agencies during the next few months.

• **Canol Due for Airing**—In addition to its big investigations, the committee has a sweepup job to do on several of its past studies. A report on cigarettes and possibly one on food supplies are due when the staff gets time.

Also on the books, in line with the committee's follow-through policy, is a checkback on the Army's much criticized Canol project. This \$134,000,000 oil development, built in conjunction with the Alaska Highway in spite of

objections by various experts, drew a scathing rebuke from the committee a year ago (BW-Jan. 1 '44, p16).

• **Tips Yield Clues**—Most of the committee's specific evidence comes from inspections or hearings that start with tips of one sort or another. Other government agencies often pass information along quietly when they suspect that something is going on but can't prove it.

Interagency feuds also have provided a starting point for several investigations. While the committee hasn't made a business of fishing the troubled waters of the Washington bureaus, it has found that few witnesses can criticize an official as well as another official.

• **Truman Pattern Used**—In all its investigations, the committee is sticking religiously to the methods worked out by Truman and his chief counsel, Hugh Fulton, who is now in private law practice. Fulton sold the committee on the rifle shot approach to evidence. His technique was to take a few graphic cases and do them up brown. He never watered down his argument by trying to cover too much.

Rudolph Halley, present chief counsel, is a Fulton disciple and an expert in this method of developing a case. In their latest brush with the manpower problem, Halley and the committee looked over the field and decided to concentrate on Norfolk, which had been figuring prominently in the daily stream of tips. Little was said about labor wastage in other government projects, but the Norfolk case, proved backward and forward (complete with checkerboard), left no doubt in the minds of congressmen about conditions elsewhere.

• **Criticism—Not Sniping**—In setting the general tone for committee operations, Mead is feeling carefully for the line that Truman struck—sharp criticism when due but no sniping. His job is considerably simplified by the fact that the committee has been working as a team for four years now. (It was established Mar. 1, 1941.)

Most congressmen now think that if the committee keeps along in its present direction, it will last for years—probably until postwar reconstruction is well under way. Its charter was renewed without dissent at the start of the new Congress.

Democrats like it because it keeps the official franchise on criticism in the family. Mead is an old-time New Dealer and six of the ten memberships (including the one current vacancy) are Democratic. Republicans like it because they can criticize government agencies without being accused of partisan politics. The committee tradition of never filing a dissenting report has become firmly rooted.

One-Gum Wrigley

Concern will discontinue three world-famous brands of chewing gum for the duration rather than lower quality.

Three of the world's best-known consumer brands are being discontinued perhaps until the end of the war in the Pacific.

Some 850,000 chewing-gum dealers are currently receiving a letter from Philip K. Wrigley. With this is enclosed a proof of an advertisement to be run in every U. S. daily newspaper next week—announcing that Wm. Wrigley Jr. Co.'s Spearmint, Doublemint, and Juicy Fruit chewing gum will not be made even for shipment to the armed forces overseas. Reason: Stockpiles of essential prewar materials have been used up.

• **Usual Quality or None**—The company is firm in backing this policy for which P. K. Wrigley fought. He resigned the presidency of the company when he was opposed by the older directors (BW-Apr. 29 '44, p24) and was later elected chairman of the board after his policy had at length prevailed (BW-Jun. 24 '44, p83).

The policy which the management now affirming to the almost unheard-of length of discontinuing the biggest selling brands in the field reflects the conviction that goodwill of the meat ticket brands must not be risked by downgrading their quality.

• **Services Get "Orbit"**—Prewar formulas cannot be matched again until Wm. Wrigley's American and foreign plants can once more obtain the 60% of their gum base which formerly originated in Malaya, Borneo, and Sumatra, and was processed in the company's Singapore mill.

Military purchases from Wrigley are now being shifted to its war-grade fruit flavor Orbit and the peppermint Orbit introduced last week, and the service and civilians alike soon will be chewing Orbit. Fruit-flavor Orbit is said by the maker to be selling in larger quantities than any individual brand of gum ever reached, even Wrigley's prewar Spearmint though it falls well short of the combined prewar volume of all Wrigley brands.

• **Remember the Wrapper?**—Radio announcements of the duration demise of the prewar brands are scheduled to start on Feb. 26. Car-cards and 24-sheet posters showing a crumpled, open, empty wrapper of Spearmint with the words "Remember This Wrapper," are scheduled for early March release.

Texas Ore to Move

A step toward solution of the Lone Star Steel Co.'s difficulties—its \$24,000,000 blast furnace and coke ovens standing idle at Daingerfield, Tex.—was taken last week as predicted (BW-Feb. 10 '44, p5) in a conditional agreement with the Republic Steel Corp. On an experimental basis, iron ore will be mined on Lone Star's property near Daingerfield by Republic and shipped to the latter's industries at Birmingham and Gadsden, Ala. Up to 100,000 tons will be taken in not more than four months.

If the operation proves successful, negotiations will be opened for a longer-term, and possibly permanent, agreement. No commitments were made, even on condition of success of the present experiment, but it is understood that Republic will consider operating the Daingerfield plant and constructing a steel mill to round out the enterprise.

The plant was built in 1942-1943 with a \$24,000,000 loan from Defense Plant Corp., plus \$1,000,000 of operating capital raised largely by Dallas businessmen (BW-Oct. 28 '44, p17).

Failure to obtain WPB priorities and a DPC loan of \$40,000,000 for a steel mill, a part of the original plan, made operation of the blast furnace impracticable.

igle The Road Back

John L. Lewis' return to the A.F.L. fold, as now seems likely, washadows another eventful period in U. S. labor history.

John L. Lewis, president of the nation's largest independent union and while leader of the C.I.O., was in receipt of a communication this week from William Green. The A.F.L. chief, in effect, that everything was set for the return of the coal miners to the American Federation of Labor.

Each Gives a Little—To clear the way for the reentry of the United Mine Workers into the federation, both sides made token concessions. Lewis' claim to jurisdiction over mechanical workers, along with claims to a wide miscellany of workers currently organized by U.M.W.'s catch-all District 50, will be left for adjudication by the A.F.L.'s executive council. There is good reason for believing, however, that an agreement exists which will give Lewis with everything he has and him carte blanche to raid the C.I.O.

Powerful Force—The miners will go into the A.F.L. in the same position they left it when, in August, 1936, they were suspended for participating in the dual union movement that built the C.I.O. (BW—Aug. 8 '36, p. 13). They will be the federation's largest basic industry union: rich, powerful, dynamic. Before this week, the last official communication which passed between Lewis and Green was a one-sentence letter written in November, 1935.

That letter, which heralded the opening of the most eventful decade in American labor history, said: "Dear Sir Brother, Effective immediately I hereby resign my position as vice-president of the American Federation of Labor." And it was signed—without the usual union courtesy of "fraternally yours"—John L. Lewis.

New Methods Succeed—In 1935, under Lewis' leadership, ten A.F.L. union presidents constituted themselves the Committee for Industrial Organization (BW—Nov. 16 '35, p. 30). Their avowed purpose was to "organize the unorganized" and their contention was that what they termed the moth-eaten A.F.L. apparatus could not do the job. In 1936 the committee sent organizers into the steel towns and the biggest unionizing drive ever attempted was begun.

Utilizing the most modern propaganda techniques, tapping huge funds, harnessing the fanatical energies of

zealous radicals, exploiting a highly favorable political situation, and capitalizing on woeful employee relations, the C.I.O. moved from success to success.

One by one the hitherto impregnable bastions of the open-shop were converted into union strong points. And behind the whole movement, feeding the tide and himself being swept on by it, was Lewis.

• First Defeat—In the late spring of 1937, the C.I.O. had its first major setback—the Little Steel strike (BW—May 8 '37, p. 17). Under the ideological leadership of Tom Girdler of Republic Steel, Republic, Bethlehem, Youngstown, and Inland refused to sign a con-

tract with Lewis. The strike that resulted—a tactical defeat for the C.I.O.—proved to be the initial step on the road which is now bringing the miners back into the A.F.L. fold.

The Little Steel strike was long, costly, bloody. While it was in progress Lewis appealed to the White House for help. Roosevelt, who clearly was beginning to fear Lewis' rivalry for leadership of America's "underprivileged," turned the union chief aside with a quotation from Romeo and Juliet: "A plague o' both your houses," and the consuming enmity of Lewis for the President took root.

• Unabated Hate—It made no difference in the development of that en-

SPREADING THE SPACE

With dormitory accommodations (below) and temporary additions to buildings, San Francisco hotels are trying to ride out the floods of uniformed guests who stream through their lobbies to and from Pacific war fronts. Latest to expand with new construction is the Fairmont which recently capped its roof terrace (right) with a temporary barracks-like wing of 44 rooms. In the main building suites are subdivided into dormitories, some corridors into roomettes. San Francisco's other large hotels likewise have spread their space since they side-stepped Army plans to take over several of them (BW—Aug. 12 '44, p. 32).



mity that the tactical defeat in Little Steel was subsequently converted into a strategic victory when the independent steel company went C.I.O.; nor that the President's cold shoulder failed to deter the establishment of Lewis' union as a permanent unit in 1938 with a new name—Congress of Industrial Organizations. Lewis' hate for Roosevelt was leading him inexorably back into the A.F.L.

That nothing was more important to Lewis than his Roosevelt hate became apparent in 1940 when he staked his C.I.O. presidency on the election of the late Wendell Willkie (BW—Nov. 2 '40,

p38). With the Third Term made possible by a labor vote which would not follow Lewis leadership, Lewis handed the C.I.O. over to Philip Murray and devoted himself to opposing government labor agencies, and leading coal strikes. It was not very long afterward that Lewis found a C.I.O. tied to Roosevelt's coat-tails a most uncongenial association.

• **Postwar Factor**—The return of U.M.W. to A.F.L. may have some important consequences. Lewis, at 65, will not take over the leadership of the A.F.L., but his miners will strengthen the bloc within the federa-

tion which is determined to wage all-out war on the stabilization program. The scores of effective organizers at Lewis' command will be set in C.I.O. fields and will lead the dictatorial warfare which is certain to be an important factor in postwar labor relations.

The latest Lewis move may well be as disconcerting to business as the first move in 1935 which set him on an independent course. Then, Lewis went out to build a new plant. Now the labor's plant is largely built. Lewis is to redistribute it and freeze out erstwhile C.I.O. associates

Canned Fruits and Vegetables—Less for Civilians

The government comes first to the table when the 1945-46 pack of canned fruits and vegetables is dished out. Civilians will have less than last year (BW—Jul. 8 '44, p19).

• **Not Based on This Year**—Government set-asides are figured as percentages of the 1943-44 pack. Thus, if the coming season brings a bumper pack, civilians stand to gain; if the pack is poor, they lose. War Food Administration officials concede that estimates of 1945-46 production are probably rosy. Chances are all against a repetition of last year's bumper fruit crop, particularly since many fruits have good yields only every other year. Also, the Army considers present set-asides too low and says they will have to be raised.

Government takings of the 15 major vegetables and vegetable products will total approximately 93,400,000 cases out of an estimated production of 195,400,000 cases. Civilians will get around 100,000,000 cases compared with 119,000,000 last year. The civilians' share of all canned vegetables and related products including baby foods, baked beans, soups, etc., is figured at 170,700,000 cases for 1945-46 against 196,100,000 for 1944-45.

• **Less Fruit, Too**—On fruits it is the same story. Civilians will get around 21,000,000 cases of the major fruits as against 25,000,000 cases from the 1944-45 pack. Production of all fruits and juices (except citrus) is expected to drop from 70,000,000 to 68,000,000 cases.

In addition to military set-aside, there is some commercial procurement for military use and some commercial export, so that set-asides plus civilian consumption don't always add up to total production.

Vegetables [millions of cases of 24 No. 2 (20-oz.) cans]	Estimated Pack	Set-aside for Government	Estimated Civilian Consumption	Previous Year's Civilian Consumption
—Crop Year, July 1, 1945-June 30, 1946—				
Asparagus	4.0	2.2	1.6	2.8
Beans, lima	2.0	0.7	1.3	0.6
Beans, snap	18.5	11.1	7.2	12.3
Beets	8.5	3.8	4.9	6.5
Carrots	4.5	3.5	0.9	...
Corn	28.0	10.4	17.4	18.6
Peas	29.0	13.5	15.2	20.2
Pumpkin & squash	3.0	0.9	2.1	2.4
Sauerkraut	3.9	3.8	0.1	0.1
Spinach	8.0	5.3	2.6	6.1
Tomatoes, whole	25.0	18.8	6.0	10.9
Tomato catchup	12.0	4.7	7.0	6.8
Tomato juice*	32.0	12.1	19.3	20.2
Tomato pulp & puree	12.0	1.6	10.3	7.8
Tomato paste	5.0	1.0	4.1	3.7
Total vegetables under set-asides	195.4	93.4	100.0	119.0
—Crop Year, July 1, 1945-June 30, 1946—				
Noncitrus fruits [millions of cases of No. 24 (24-oz.) cans]				
Apples	3.5	1.7	1.8	1.7
Applesauce	3.5	0.9	2.5	3.1
Apricots	4.5	2.2	2.3	4.3
Berries	0.8	0.6	0.2	0.1
Cherries, sour	2.0	1.6	0.4	0.7
Cherries, sweet	0.9	0.2	0.6	0.8
Figs	0.9	0.7	0.2	0.5
Fruit cocktail	6.5	4.5	1.7	2.0
Peaches	13.3	8.5	4.6	4.5
Pears	5.2	3.5	1.6	1.0
Pineapple	10.2	6.9	3.2	4.5
Pineapple juice	6.7	4.0	2.6	1.9
Total fruits under set-asides	58.0	35.3	21.7	25.1
—Crop Year, Oct. 1, 1944-Sept. 30, 1945—				
Citrus fruits [millions of cases of No. 2 (20-oz.) cans]				
Grapefruit segments	0.5	0.5
Grapefruit juice	21.5	10.8	11.1	16.1
Orange juice	10.5	4.4	6.0	4.6
Blended juice	7.0	3.0	4.0	4.3
Lemon juice	0.2	...	0.2	0.2
Total citrus	39.7	18.7	21.2	25.2

* Includes V-8 and other combinations of vegetable juices.

Now It's Official

FTC attributes shortage of cigarettes to the big volume going to armed services. OPA moves against black market.

cigarette manufacturers, retailers, and others were absolved this week by the Federal Trade Commission of responsibility for the shortage now harassing U.S. cigarette smokers.

FTC reported, however, that undesirable practices—illegal contracts, tie-ins, inequitable rationing within the industry, and hoarding—have developed, and that these are the result, not the cause, of the shortage.

45 Billion Short—The FTC report concluded that the cigarette scarcity directly traceable to the heavy volume going to the armed forces. In 1944, according to FTC, 79 billion of the 124 billion cigarettes produced in the U.S. went to the armed services and the Allies (BW—Feb. 10'45, p. 18). The remaining 240 billion cigarettes were shared by civilians with the armed forces stationed in this country, and other agencies.

Between 1940 and 1944, FTC observed, the civilian demand has increased at an average annual rate of 16%. On that basis, FTC estimated that it would have taken 285 billion cigarettes to have met the domestic demand in 1944. So, theoretically, the domestic market last year was short at least 45 billion cigarettes, or 15.8%.

The report assigned the growing consumer demand to war prosperity which put buying power into the hands of many who formerly could not afford manufactured cigarettes, to hoarding by individuals who fear being without cigarettes, and to an increasing number of smokers.

Scant Hope for 1945—FTC held out little hope for the cigarette starved public in 1945. Instead, the commission speculated that any change would be for the worse in view of the Army's proposed outright purchase of at least 77 billion cigarettes as against 68 billion in 1944. There is small prospect of much increase in production this year, FTC said.

The report indicated that civilians would have to base their hopes on efforts to achieve more equitable distribution of the available domestic supply. FTC set up to the tobacco companies the job of resurveying their markets and revising present inequitable voluntary rationing plans to conform with population shifts, changes in customer requirements, and other factors contribut-



VENTURE IN PRESTIGE WASHED OUT

For 46 years a promotional landmark, the H. J. Heinz exhibit—the "Pickle Pier"—at Atlantic City is being torn down. Last September's hurricane so battered the pier (above) that H. J. Heinz, 2d, grandson of the company's founder, decided against rebuilding. Considered a bold advertising venture when it opened in 1898, the pier featured lectures on food, cooking, and science, for many seasons exhibited the art collection of H. J. Heinz, and last fall drew daily crowds of 25,000 to organ recitals and community sings. Admission was free and there were always samples of Heinz' 57 variety food items.

ing to maldistribution. The commission promised to take independent action against those jobbers employing tie-in sales practices.

• **Grapple Black Market**—Meanwhile, in New York City, where the trade estimates that 25% to 30% of all cigarettes are now sold in the black market for about \$3 a carton, Daniel Woolley, OPA regional administrator, announced a program (which, if successful, may be taken up by OPA's headquarters for nationwide application) to put cigarettes back on the counters of retail stores, by destroying the black market through cooperation of local retailers, wholesalers, and jobbers.

The chief problem of enforcement officials has been the fear of retailers that they would be cut off from their cigarette supply if they cooperated in exposing black market operations.

The new plan seeks to remove this fear by establishing a cigarette pool from which OPA would supply retailers cut off from suppliers for giving evidence of violations.

• **Set-Aside for Pool**—Jobbers will withhold from retailers 10% of their allotment by manufacturers, and 5% from subjobbers, as self-protection against a future drop in cigarettes received from manufacturers. Part of this set-aside will be used to establish the cigarette pool.

Planes Unlimited

Bigger and still bigger aircraft are designed, as only larger power plants prove to be a major problem.

The rapid fire of aircraft development has stirred the imagination of the public as the Superfortress outstripped the Flying Fortress, as the newest transports dwarfed the airlines' familiar DC-3, and as the engineer's drawing board turned out a succession of designs for tomorrow's huge planes, each more breathtaking in its bigness.

Larger and still larger planes are expected, but behind all the enthusiasm of the designers are practical economic, as well as engineering, problems that must form the pattern for aircraft of the future.

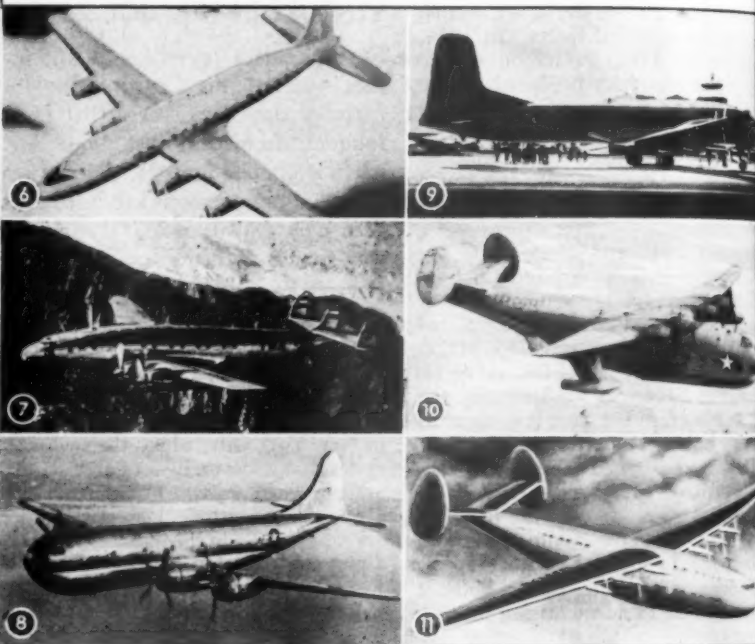
• **Removing the Limits**—Only a few years ago some aeronautical engineers were calculating the technical limits in the size of planes, while others were solving the detailed problems that removed limitations. The conservative engineers had not counted on such developments as more efficient structures, more powerful engines, controllable

Huge Skyliners to Compete for Postwar Business



Of the big planes that will bid for passenger and freight business in the postwar skies, many (Nos. 2, 3, 4, 5, 7, 8, 10) have already seen military service. Others are in various stages of development; and still others, such as the 1,500-ton Convair C-99, with six engines and 18,000 hp., have not yet progressed even to the point where design drawings can be released for publication.

Plane	Gross Weight (in lb.)	Number of Passengers	Number of Engines	Total Horsepower
1. Martin Mercury 202	33,500	30	2	4,200
2. Curtiss-Wright 20-E (C-46)	48,000	36-42	2	4,400
3. Fairchild C-82	50,000	76	2	4,000
4. Convair 39	64,000	56	4	5,400
5. Douglas DC-4	71,300	49	4	5,800
6. Douglas DC-6	80,500	55	4	8,400
7. Lockheed Constellation	86,250	60	4	8,800
8. Boeing C-97	130,000	72-100	4	8,800
9. Douglas DC-7	162,000	118	4	12,000
10. Martin 170-21 (Mars)	165,000	78	4	12,000
11. Martin Leviathan	250,000	100 and up	6	unknown



pitch propellers, and higher wing loading (BW-Jun. 6 '42, p42).

As these design elements became realities, the ceiling in airplane size ceased to be a matter of concern for technicians and passed into the province of the air transport economist and the traffic manager. Now the only limit is the load available to be carried.

• **How Many Engines?**—From a purely engineering standpoint larger airplanes can be designed as soon as larger power plants are developed to fly them. Sometimes the airframe designer can forge ahead of the parade by using a larger number of engines, but mechanical complications multiply as the number of individual power units increases. This has been done abroad more often than

in this country because foreign engine development has lagged behind ours.

For a time it seemed as if the constantly increasing size of reciprocating engines would level off between 3,000 hp. and 4,000 hp., but along came the gas turbine to blow off the lid by providing power packs in almost any desired size.

The gas turbine (BW-Nov. 4 '44, p17), often described as "a tornado in a box," is so compact that a unit sufficiently powerful to drive an automobile would be almost lost under the hood of a modern motor car. Gas turbines begin to look businesslike when they get up to 1,000 hp. or more. They can be scaled up indefinitely to almost any reasonable output without greatly in-

creasing their mechanical complications.

• **Three Factors**—If airline operation to grow soundly, the practical utilization of bigger airplanes in transport service must proceed in orderly sequence for three reasons:

(1) It is better to fly nearly full small planes than nearly empty large ones. All operators have been enjoying phenomenally full loads throughout the war. Increased competition results from establishment of new and partial parallel routes will augment the natural drop in plane loads after the war.

(2) Increasing the size of airplane for a given volume of traffic tempts operator to decrease the number of flights over a specific route, reducing frequency of service. Flexibility of schedule

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OUT OUR WAY



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"Think First—Stop Accidents"

uling must be weighed against the ing in the important cost element crew compensation when one crew carry a larger number of passengers.

(3) New types of airplanes must have long periods of service testing actual airline flying before their operators learn the best methods of operating and maintaining them.

• **Carrying the Load**—Much of the burden of wartime transport has been carried by the Douglas DC-3, with its various troop and cargo carrying conversions, and the Consolidated Vultee PBV flying boat which has been used not only for transport and patrol but in various combat roles. These twin-engined planes were considered obsolete for many purposes before the war and both manufacturers had gone far beyond them with newer designs, but their service record has proved that no airplane design ever completely outlives its usefulness.

The twin-engined Curtiss Commando (C-46) came into use in time to give outstanding war service. Its postwar commercial counterpart, the CW-20E, weighs 48,000 lb. gross, will carry 36-42 passengers, and is powered by two 2,200-hp. engines. It is regarded as a highly efficient design for medium range operations.

Fairchild has just announced a new cargo plane (C-82) developed for the Army, weighing more than 50,000 lb. and powered by two 2,000-hp. engines. The "Packet" is designed for quick loading of bulky cargo and has conversion possibilities for peacetime transport. In the same power category is the proposed 30-passenger Martin Mercury (202-11) with a gross weight of 33,500 lb.

• **Peacetime Plans**—In planning their postwar equipment programs, the majority of domestic trunk line operators selected the four-engine Douglas DC-4 and DC-6 (BW—Sep. 16/44, p. 20). These airliners are commercial versions of the four-engined military transports designated C-54 by the Army and R5-D by the Navy. The military versions have been thoroughly service tested during the war, and their operational and maintenance technique has been well developed.

The DC-4 carries 49 passengers and weighs 71,300 lb. gross; the DC-6 is a little larger—55 passengers and 80,500 lb. The difference in performance and load carrying capacity between these two designs is due mainly to their engines. The DC-4 has four 1,450-hp. units while the larger model is powered by four 2,200-hp. engines.

In the same general weight category as the two Douglas ships is the slightly smaller Consolidated Vultee 39 weighing 64,000 lb. gross and carrying 56

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- ☐ Uniformity of light ☐ Low cost of operation
☐ Lack of glare
☐ Appearance ☐ Greater light output

If your plant, office or store uses fluorescent lighting, has this lighting:

- Improved work efficiency?
☐ Yes ☐ No
☐ Don't know
 Increased sales?
☐ Yes ☐ No
☐ Don't know

Which of these faults in reception would you like to see eliminated first in post-war radios?

- ☐ Static ☐ Fading
☐ Hearing two stations at once

Has your office, plant or store an inter-communication system?

- ☐ Yes ☐ No

If not, would you be likely to install one after the war?

- ☐ Likely ☐ Possibly
☐ Unlikely

Television can be of important use to business. For instance, fashion shows, introductions of new models and salesmen's educational demonstrations may be broadcast visually. Would you be likely to use such a service after the war?

- ☐ Likely ☐ Possibly ☐ Unlikely

Plant machinery may be operated and controlled in many ways by electronic devices. What services in your plant would you like to have performed by an electronic device?

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passengers. Four 1,350-hp. engines constitute the power plant. The 39 is being flight tested and its interior arrangement is being studied by the use of a full-scale mockup which was developed by industrial designer, Henry Dreyfuss.

• **Faster Schedules**—Next upward step above the DC-6 is the 86,250-lb. Lockheed Constellation. This plane's military version (C-67) made a recent west-east transcontinental record transport nonstop flight in 6 hr., 57 min., and 51 sec. (BW—Apr. 22 '44, p. 16).

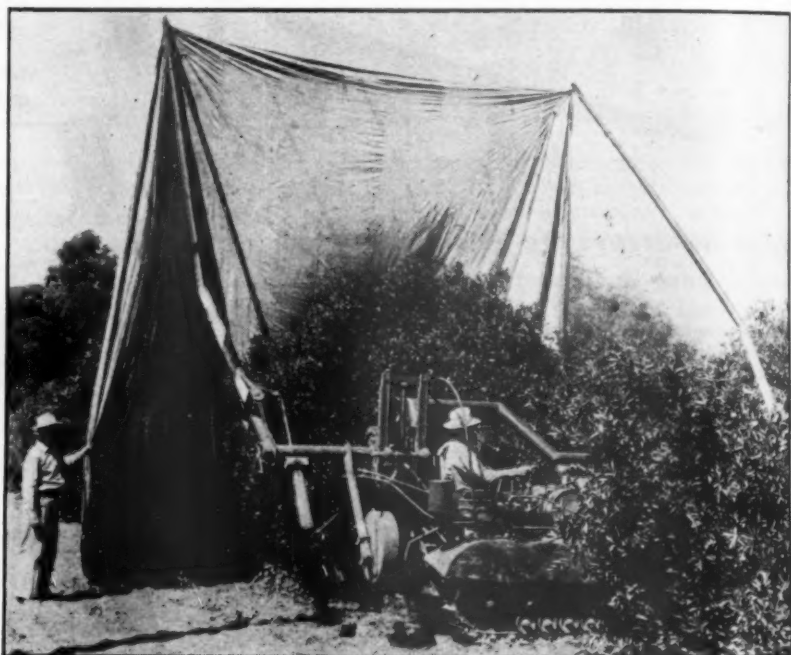
The Constellation is a long-standing development sponsored by Transcontinental & Western Air to provide fast transcontinental service probably with one stop at Kansas City. This service will be comparable to the Stratoliner schedules operated by TWA with Boeing high altitude aircraft before the war, but a faster schedule will be possible with the Constellation. The first of these planes has been used extensively by the Army throughout the war, and commercial models are now under construction. The Constellation bridges the gap between medium and long range operations.

There is a big jump in weight to

reach the next higher category of big long range airplanes. In the 130,000-lb. to-165,000-lb. four-engine group, there are the Boeing C-97; the Martin Marauder and its commercial counterparts, the 170-21 and 170-22; and the Douglas DC-7. In this group also belongs the experimental Army bomber—the Douglas B-19, land plane contemporary of the Mars flying boat.

• **Two-Story Plane**—The 5-ton Boeing C-97 is a long-range land plane developed from the B-29 Superfortress (BW—Nov. 18 '44, p. 36). It is 16 ft. longer and much roomier than the bomber, and the commercial version (Model 377) will have a two-story internal arrangement with a staircase amidships and a comfortable lounge occupying part of the lower deck. Accommodations are provided for 72 to 100 passengers. This postwar airliner is designed for 14,000 hp. The present Army version has four 2,200-hp engines. Recently the Army transport model was flown across the continent visiting Washington and New York. It edged out the Constellation's record, making the trip in 6 hr., 3 min., and 50 sec.

Artists' conceptions of the 162,000-lb. Douglas DC-7 have appeared recently



MECHANICAL RAISER FOR CITRUS TENTS

A mechanical tent puller that raises fumigation covers over citrus trees is helping California growers squeeze by with the smallest labor supply ever. The machine, mounted on a tractor or a truck, operates like an automobile's folding top to inclose each tree for efficient insecticide treatment. This job normally requires large crews of grove hands who are paid on a piece-work basis. Under a patent released to the public by American Cyanamid & Chemical Corp., about 80 pullers have been made thus far—mostly of scrap in home shops.

considerable interest has been shown by Pan American Airways whose future operating policy embraces the use of large land planes for long over-water flights. The DC-7 will carry well above 100 passengers although the capacity would probably be lower on long nonstop hops with baggage and cargo. Like the other airliners in its class, it awaits the war's end and the perfection and quantity production of engines of 3,000 hp. or more.

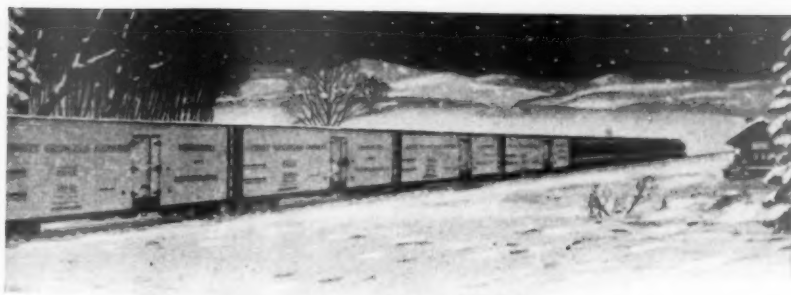
New Flying Boats—Martin has planned two commercial adaptations of the famous Mars flying boat (BW—May 6 '44, p. 38), one for passengers and the other for cargo. The double-deck 170-21 and 170-22 reflect Martin's faith in the future of the flying boat based upon the high efficiency of the Mars.

Commercial adaptations of the deeply secret B-35 and B-42, whose existence was revealed recently in the Congressional Record, also may be expected after the war.

Still farther in the future are two luxury airliners—a land plane and a sea-plane development by Convair and Martin in the six-engine 250,000-lb.-to-365,000-lb. weight range. The Convair 440-99 is an Army transport version of the B-36 bomber whose existence was secret until recently (BW—Dec. 16 '44, p. 18). Like the Martin Leviathan it dwarfs all existing transport aircraft. Passenger capacity will vary widely depending upon the luxuriousness of accommodations and the amount of cargo space. Either of these planes could carry 400 people but it is most likely that they will be fitted for 100 to 150 as commercial airliners. Six 3,000-hp. engines will be required unless progress in jet propulsion provides other types of power plants.

Others Coming—While this listing includes the planes on which reasonably complete data have become known, many other companies plan to ride the transport plane band wagon. Among these are North American, which is working on a commercial counterpart of its B-25, and Republic and Waco. Howard Hughes, Hollywood movie producer and aircraft designer, is working on a huge six-engine flying boat. Another expected arrival in the big-plane family is Lockheed's Constitution, which is an enlarged version of the Constellation.

Pan American's projected type 10 is generally supposed to be the Constitution, designed to carry a maximum of about 150 passengers, fewer on ocean trips. Powered by four engines of more than 3,000 hp. each, it would cruise at 25,000 ft. at about 288 m.p.h. Carrying a crew of eleven, the plane would have 2,082 cu.ft. of cargo space.

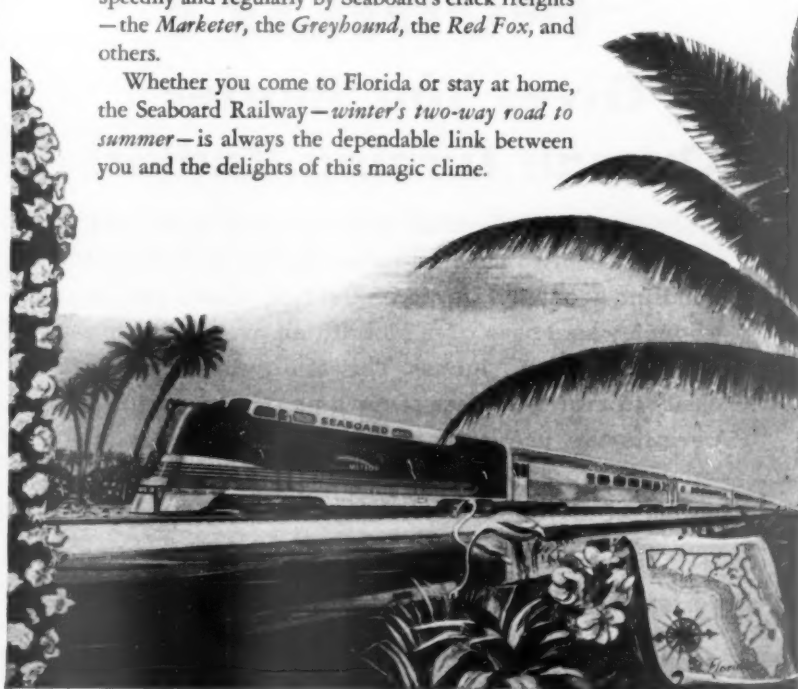


Winter's **TWO-WAY** ROAD TO Summer

To those who have experienced a winter visit in Florida's delightful clime, this scene will recall the swift, smooth transition from winter to summer provided by the *Orange Blossom Special*, the *Silver Meteor* and other modern trains of the Seaboard's famed passenger fleet. It is also a reminder of the transportation comforts you can expect from the Seaboard in the future, when war's demands have been met.

Most folk, this winter, are remaining at home and for them we are happy to provide "packaged" Florida sunshine—golden citrus fruit and fresh grown vegetables in bountiful variety—brought speedily and regularly by Seaboard's crack freights—the *Marketer*, the *Greyhound*, the *Red Fox*, and others.

Whether you come to Florida or stay at home, the Seaboard Railway—*winter's two-way road to summer*—is always the dependable link between you and the delights of this magic clime.



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The Morning After

Latest headache from last year's spree in Park & Tilford common is suit against company stockholder, and two brokers.

It's a hangover, definitely. A hangover from last summer's whisky dearth.

There have been a lot of headaches since the 1944 stock market spree which saw so much buying in distilling shares that members of brokerage houses began to refer to their customers as hangover flies. The wildest speculation centered in stocks which, it was rumored, would pay dividends in potables.

• **But Not Enough**—Some "drink dividends" were paid. But that there was more than one which failed to come up to market followers' expectations is evident from subsequent flops on the quotation tape.

Perhaps the most spectacular performance turned in by the distilling shares was that of Park & Tilford, Inc., which soared from \$17 to a peak above \$98 in about nine months—and then shed \$50 of the advance in a matter of five weeks. The consequence has been a series of stockholder rumblings, latest of which involves the company's David A. Schulte (long the principal stockholder), and two member firms of the New York Stock Exchange.

• **Conspiracy Charged**—A group of 16 Park & Tilford common stockholders are suing to recover \$110,601, alleging a conspiracy to acquire large amounts of the stock and to liquidate such holdings at a \$7,000,000 profit by inducing others to purchase through the circulation of false and misleading rumors.

Harshness of these allegations highlights the fact that the joyriders thought they were going to get more than they did. After months of talk about the drinkidend, Wall Street finally learned that the stockholders were to be permitted to buy only six cases of whisky at a cost of about \$26.50 a case.

• **Not as Expected**—Dashing the ardor of the connoisseur was the fact that the product was to be only 30% straight whisky, 70% neutral spirits. Equally disappointing was an OPA ceiling on resale profits.

Temper weren't improved any by Securities & Exchange Commission reports filed by Schulte showing that he had sold 50,000 of his personal 54,500 common shares in Park & Tilford, that the David A. Schulte Family Trust had disposed of 38,700 of its 173,174 shares.

• **Company Gets \$264,828**—First important repercussion of these stock

WHEN AND HOW CAN TELEVISION TURN A PROFIT?



Interest in television is assuming flood proportions. Within 18 months after Victory there is every indication that television service will be available to 30,000,000 people . . . and enjoyment limited only by plant capacity of set manufacturers.

Prospective television station operators who reserve DuMont telecasting equipment *now* will be prepared to ride a wave of unprecedented popular enthusiasm . . . to ride the swift and inevitable commercial expansion of the greatest scientific advance of our time. Valuable prestige and

good-will are natural windfalls of the early bird in this new field.

A fortune is not required to build a television station, nor years to "break even." DuMont designed and constructed 3 of the 9 television stations on the air today. The low operating cost and rugged dependability of DuMont equipment has been demonstrated week-in and week-out for more than 4 years. When and how television can turn a profit are questions to which DuMont holds factual answers. Would you like to hear them?

TELEFLASH! More than 90 requests for permission to construct and operate commercial television stations are on file with the Federal Communications Commission. As only a few channels are available for television, the number of stations in a trading area is limited. In consequence, options are already being sought for desirable "time." More than 61 advertising agencies have installed television departments. The value of riding with public interest is attracting more and more advertisers to television every week. They are learning to control the terrific sales impact of this wonderful new medium. Their experiments are well worth watching!

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DUMONT



Precision Electronics and Television

ALLEN B. DUMONT LABORATORIES, INC., GENERAL OFFICES AND PLANT, 2 MAIN AVENUE, PASSAIC, N. J.
TELEVISION STUDIOS AND STATION WABD, 515 MADISON AVENUE, NEW YORK 22, NEW YORK

sales came when Schulte's lawyers notified the SEC that their client had turned over \$264,828 of his profits to the company (BW—Sep. 9 '44, p. 56). This apparently was done with an eye to Section 16b of the Securities & Exchange Act of 1934 which aims at recapturing stock market profits of "insiders" who either buy and sell or sell and buy shares within a span of six months.

• **SEC Hearings**—Next came notice of hearings by the SEC to determine whether there had been a willful violation of the registration provisions of the Securities Act of 1933 by the firm of Ira Haupt & Co. This brokerage house, the SEC charged, had handled sales of some 92,000 shares of Park & Tilford common (about 37% of all the stock outstanding) for Schulte, his family trust, and persons associated with him.

The commission indicated its belief that this operation came under the classification of a "secondary distribution." If so, the SEC wanted to know, why wasn't there a registration statement?

• **Two Suits Under Way**—And now this latest action which names, in addition to Schulte and the corporation itself, copartners in the Haupt firm and another Big Board member, Strauss-Phillips & Co. This is on top of a suit by Park & Tilford seeking to recover \$500,000 of profits from Schulte and his family under Section 16b.

Did somebody say something about headaches?



"BACKWARD" FIGHTER UNDERGOING TESTS

One of the Army's most revolutionary planes is the XP-55 Ascender fighter which appears to fly backwards. With its engine at the rear, elevators on the nose, and rudders on swept-back wingtips, this experimental job bears little resemblance to conventional aircraft. Performance comparisons are under a secrecy veil which was lifted only enough to release the first pictures of the XP-55 last week. But according to its developer, Curtiss-Wright Corp., the ship offers improved visibility and control, high speed, and rate-of-climb.

Tickets Cleared

Airlines' nonprofit agency for handling interline charges completes first year. Service may be extended later.

Borrowing a page from the experience of banks, airlines established a clearinghouse to handle interline ticket settlements expeditiously and economically. It has just completed its first year of operations.

• **Has 18 Members**—The Airlines Clearing House, Inc., includes 18 major airlines, cleared an estimated 250,000 ticket accounts aggregating more than \$7,500,000 in January, 1944, alone, according to its president, E. I. Whyatt, who is vice-president and treasurer of Northwest Airlines.

First of its kind to be set up in the transportation industry, the clearing agency may be expanded later to handle interlines scrip accounts and air freight charges.

• **Nonprofit Agency**—Through use of the clearinghouse, the airlines have been able to simplify the complicated task of settling intercompany passenger flights accounts. The agency makes certain that the airline providing a passenger with service receives its proper remuneration.

Located in Chicago, the nonprofit

agency is staffed by 31 persons and expenses are prorated among the airlines monthly.

• **How It Works**—The clearinghouse functions in this manner:

At the end of each month, each airline determines the amount it has collected on ticket sales which is due all other lines, as well as the total amount due it from the others. Each airline then reports to the clearinghouse the net difference between these two amounts, drawing a draft on that agency if it has money owing it, giving the clearinghouse its check if the opposite is true.

A system of tabulating cards, sent to the clearinghouse by the various airlines and covering each interline ticket sale and each interline passenger carried, double checks the various transactions.

New Rent Car Rule

Monthly mileage slashed in Florida as ODT attempts to end joy riding. Drive-yourself firms are swamped with business.

In an effort to halt joy riding in rented cars, the Office of Defense Transportation recently clamped down on the Miami-Palm Beach area, where almost one-fourth of the country's 5,000 so-called drive-yourself or U-drive-it automobiles are located. Many people in Florida have been using rental cars "freely and continuously" to circumvent rationing regulations that apply to private autos, ODT learned.

• **Mileage Reduced**—Hereafter rental cars in the area may be driven no more than 650 mi. a month, compared with the previous maximum of 1,500 mi. (which still stands in the rest of the country). However, if a rental car company cuts down by half the number of cars it had in operation last December, the remaining automobiles in the fleet may keep to the 1,500 mileage.

ODT ruled that drive-yourself automobiles must carry on each side and on the rear of the car the words "rental car" in letters at least 2 in. high and must also show the name of the rental company.

• **Must Keep Data**—Beginning this month, Miami companies have to file monthly reports showing the number of miles each car traveled; name, address and occupation of each person renting car; and amount of mileage on each trip. In other sections companies are required to have information available for ODT inspection but no regular reports are necessary.

As in many another trade, rental car

Pity the Cork Insole . . .



*If it's not the heat
it's the humidity*

CORK insoles in tennis shoes take cruel punishment winter and summer. Damp while in use, subject to drying action of heat during winter storage, cork composition insoles must retain perfect flexibility to be used for several seasons of hard play. As the flexibilizer in the bone or hide glue binders of the cork composition insoles, Arlex solves this problem. Arlex gives longer usable life to the insole than commonly used conditioners. . . .

Glue binders, flexibilized with Arlex, do not tend to "soup up" at high humidity, nor give off excessive moisture in dry air—Arlex has a narrow humectant range—and as a conditioner it stays put.

This is only one use for Arlex among its many applications to hygroscopic materials. The ability of Arlex to increase shelf life, give more wear, maintain freshness, impart special softening, makes it tremendously useful to a wide range of products.

Arlex is a good example of the more than one hundred versatile chemical materials that Atlas has developed for manufacturers' uses—many now at war. Combined, they offer a huge stockpile of ideas on which industry constantly draws to improve processes and products.

Perhaps the Atlas stockpile has an idea for you. Consult with us now, while your plans for post-war products are in the formative stage.

**FINISH THE JOB —
KEEP BUYING WAR BONDS**

USES OF ARLEX

Atlas Commercial Sorbitol Solution

Abrasives • Adhesives • Beverages • Cellulose Products
Cleaning Compounds • Coatings • Cosmetics • Dentifrices
Diabetic Foods • Emulsions • Gelatins and Glues • Leather
Finishes • Paper Products • Pharmaceuticals • Printers' Rollers
Resins, Water Soluble • Rubber Compounding • Shoe
Dressings • Textile Finishes • Tobacco

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POWDER COMPANY
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Offices in Principal Cities

**Industrial Explosives • Industrial Finishes • Coated Fabrics • Acids
Activated Carbons • Industrial Chemicals • Ordnance Materiel**

Speed Sweep WITH A BACK OF STEEL



Makes Light Work Out of Tough Sweeping Jobs

Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is $\frac{1}{2}$ usual size—easier to handle. Tufts of longer, better fibres are more compact—provide "spring and snap" action. Handle instantly adjustable to height of sweeper—reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

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Since Pearl Harbor Speed Sweep brushes have proved their superiority in many thousands of factories under varied conditions. They are unconditionally guaranteed to meet your requirements. Prompt shipment on AA-5 or higher priority rating. Write for styles, sizes, and prices today.



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HARTFORD, CONNECTICUT

companies have been swamped with business in the past few years, a lot of which they had to turn down for lack of facilities. Unlike the limousine type of rented car—which through a freak of nomenclature is classified as a common carrier and is thereby under less strict supervision—rental cars have been subject to rationing and regulation, more or less strictly enforced.

A rental car is defined as an automobile "available for hire without the services of a driver." ODT froze the number of companies and the number of cars per company as of December, 1942.

• **No New Replacements**—Furthermore, drive-yourself concerns have not been eligible for new cars to replace worn-out stock. The American Drive-yourself Assn., trade group, has been fighting vigorously for replacements for three years, but thus far without result. Rental car companies can get new tires after satisfying local rationing boards of their necessity, in compliance with area quotas.

ODT requires that every person renting a car must sign a statement agreeing not to drive more miles than he would be permitted under OPA rules if he had a private car, except in cases of emergency, or in connection with necessary business.

• **Difficult to Check**—The regulations have been pretty well enforced, with an estimated 85% of rentals being for necessary business, ODT says. The remaining 15% cannot be easily checked because the renter's statement is not easy to interpret. In Miami, for instance, "to drive to Key West house hunting" might be legitimate for the wife of a Navy officer, or it might be a pleasure jaunt for a tourist. If either renters or rental companies wished to manipulate records, ODT would find it difficult to detect infractions since the agency has no policing personnel.

OPA froze rental rates at March, 1942, levels, which varied from section to section. Fairly typical are those prevailing in New York City: on weekdays, 14¢ a mi. for Chevrolets, 16¢ for Oldsmobiles; on week ends, 16¢ and 18¢ respectively for the first 50 mi. and 10¢ and 12¢ thereafter; with a service charge of 75¢ for each 24 hours. In some places, companies charge \$4 or \$5 a day, with a rate of 6¢ or 7¢ a mile in addition. Some companies require security deposits; others don't.

• **Rentals by the Month**—Many rental car companies have put their incomes on a steady basis by renting most of their cars to customers by the month. Government agencies, war industries, and military services contract for the drive-yourself cars in order to be sure to have transportation available for essential personnel.

Two Birds With One Stone

Iowa agricultural officials think that they have one answer to solve two problems.

No. 1 is what to do with the hemp-drying plants now being placed on the market since the government's hemp venture is playing out (BW-Dec. 23 '44, p. 50).

No. 2 is what to do with all the wet corn that is rotting on the ground because there isn't any storage room.

The answer: Let the hemp plants dry corn. The proposition has been put up to the Defense Plant Corp., which owns the hemp-drying plants, backed by the argument that each of the score or more completed plants, with only slight alteration, could dry 300 to 440 bu. of corn an hour.

Under the emergency price control, OPA has no jurisdiction over passenger transportation, and since the deluxe type of rented automobile which has a chauffeur is one way of transporting passengers, limousine rental services have been having a heyday. Most of these cars are owned by companies which also have the drive-yourself type, which means that there has been little tendency to raise a public kick over the different degrees of control that are exercised.

• **Cabs Get More Gas**—ODT includes chauffeured cars in its general order covering taxicabs, but limits them to about half the gas allotted to regular hacks. In New York, for instance, where there are some 35 companies in the limousine-for-hire business, the called private rentals get 450 gal. of a quarter, as compared to 950 gal. for taxicabs for one shift. Funeral cars, which come under the same ruling, get as much gas as they need.

The comparative freedom of operation for liveried cars has brought about an almost prewar competition for business.

• **\$10 for Theater Trip**—One New York company has for instance been sending out copious circulars recently to solicit business, claiming "the lowest rates in the city": \$18 for a five-hour, 60-mile shopping trip; \$10 for an expedition to the theater and return, with an extra charge of \$2 if going to a restaurant dinner is on the itinerary.

The average on one of these event trips, ODT says, is only 4 mi., but of course the limousine companies have manpower and maintenance problems to cut down the amount of their tak-

One *furrow* . . . one *faith*

No man can be master of all things. He may do many things well . . . even with considerable skill. ☆ But the true craftsman, the gifted creator, the great artist will always be found to have concentrated his genius in a *particular* field of endeavor. ☆ Back of any lasting work of literature or scientific development . . . behind the painted masterpiece or great industrial accomplishment, there is invariably singleness of purpose . . . unyielding devotion to one goal. ☆ In art and industry . . . in the creative loneliness of vision . . . *dedication to a single ideal is the road to achievement.* ☆ And when, in addition, that ideal is made into a dynamic, vibrant reality by men of energy and ability . . . the result is human progress. ☆ For more than 40 years, Dr. Willis H. Carrier and his associates have devoted themselves to the art and science of air conditioning and refrigeration.

CARRIER CORPORATION ☆ SYRACUSE, NEW YORK

Taxis Needed

Industry contends annual repairs on average cab cost as much as a new one, urges WPB to approve building a few.

Briefs have been submitted to WPB seeking permission to build a limited number of taxicabs, accompanied by evidence that the nation's cab fleet is falling apart under the load of war.

One argument is that yearly maintenance bills for the average taxicab—actual time and labor and spare parts to keep a taxi rolling—now total more than would manufacture of a new cab.

• **Efficiency Stressed**—As a matter of fact, the industry hopes the Office of Defense Transportation may support the taxicab petition simply out of general considerations. One taxi in use is a much more efficient means of utilizing a package of transportation than a considerable number of private cars, cab travel-mile utility and efficiency being far greater.

No accurate statistics exist on the number of taxicabs in use, but competent trade sources figure there were around 150,000 in 1941. Today perhaps 50,000 have gone to the junkheaps or been cannibalized to keep the others going. But at least a quarter of the remaining 100,000 are in the garage every day being repaired or awaiting arrival of parts.

Not even the hard-pressed truck industry claims such a reduction in its effective strength; the resultant shortage of taxi transportation is well known to every rider.

• **Mileage Reduced**—On top of everything else, mileage of cabs in use is considerably reduced. In New York a tacit understanding exists between ODT and National Transportation Co., a Parmelee subsidiary, to limit the number of passengers carried per month, and that understanding embraces about half of New York's 11,000 licensed cabs.

In Chicago gasoline limitations hold cab travel to around 90 miles daily. It is estimated that, throughout the country, taxicabs are traveling no more than an average of two-thirds of their prewar mileage of 3,500 to 4,000 miles

per month in big towns, 2,000 or less in smaller ones.

• **Repair Costs Mount**—A cab costs \$1,100 to \$1,500 new. Repair costs in 1943 averaged slightly above \$1,000 per cab, and for 1944 the indicated total is \$1,500.

Should WPB authorize replacement of over-age vehicles now cruising the streets—most of them well beyond the 200,000-mile prewar life span—sales at locations would probably go to such large operators as Checker, Yellow, Parmelee, and others.

• **Production Possibilities**—Prime producer might be Checker Cab Manufacturing Co., Kalamazoo, Mich., the only major specialized taxicab maker in the country. Checker, however, probably would sublet a good share of the work. (It is understood conversations have been going on with Packard Motor Car Co., whose few cabs before the war won a reputation for low maintenance costs.)

Any cabs made under such authorizations would definitely be special jobs. Cabs made from the ground up for the trade—as differentiated from modified passenger cars—have heavier brakes, heavier clutch shoes, bigger batteries and generators, and harder springs that provide better wear, even if the ride is less comfortable. State and municipal legislation forbids the use of remodeled private cars in many instances.

• **Cities Have Their Rules**—These cabs would also probably be specially designed to fit their markets. For New York, as example, no room can be left for a seat beside the driver, as a crime prevention measure, and the trunk must be partitioned so that it could not accommodate anything as bulky as a human body.



ROBOT NAVIGATOR HELPS LIVE ONES

Coming off a General Motors production line is one of the most revolutionary aircraft instruments ever developed—an air position indicator that continuously shows the latitude and longitude of a plane in flight. This intricate but compact robot navigator operates in conjunction with a compass and airmileage indicator to give readings requiring corrections only for drift. Developed by Bendix Aviation's Eclipse-Pioneer Division, the position indicator has remained a deep secret until this week because of its assignment to heavy bombers and Navy fighters—tasks that suggest its postwar uses on transoceanic airliners.

RECORD FOR INGLEWOOD

"The largest number of a single model ever turned out in any single month by any aircraft plant in the world." That was the message of congratulation sent last week by J. A. Krug, chairman of the War Production Board, to the Inglewood (Calif.) plant of North American Aviation, Inc., for building more than 570 P-51 Mustang fighter planes during January.

The previous record (555 fighter planes) was established in 1944 by Grumman Aircraft Engineering Corp. Bethpage, L. I.

The announcement of the citation made no mention of the gross weight of planes produced at Inglewood during January, but it is reasonable to assume that no fighter-plane plant can hope to equal the large bomber facilities on the score.

Gas for Midwest

WPB gives AA-1 priority on equipment for expansion of pipeline capacity to Michigan. May authorize new line.

If the steel, the compressors, and the manpower can be found, WPB probably will authorize a second 50,000,000 cu. ft. per day increase in natural gas pipeline capacity to serve what the Federal Power Commission calls the Appalachian area next winter.

• **Top Priorities Granted**—WPB already has given Panhandle Eastern Pipe Line Co. AA-1 priorities for equipment with which to boost present line capacity into Michigan by 50,000,000 cu. ft. Virtually all of the increased supply would be moved into Ohio to provide better reserves for the hard-pressed northeastern natural gas area. The project is scheduled for completion by Nov. 1, 1945, at a cost of around \$9,000,000.

The present outlook indicates that the Appalachian area will need about 100,000,000 cu. ft. daily of imports next winter in order to operate on a sound reserve position and avoid recurrence of the shortage in gas supply which plagued the industrial Midwest recently. While the need is admitted, there is some question whether the pipeline material to meet it will be available (BW—Oct. 21 '44, p49).

• **New Lines Considered**—Three companies are understood to be about ready to file for authorization for transmission facilities into the area.

The Tennessee Gas & Transmission Co. is understood to be anxious to increase the capacity of its new line, which went into operation this winter, from 200,000,000 to 300,000,000 cu. ft. daily. Metropolitan Eastern and the American Light & Traction Co. are reported planning entirely new lines into the Ohio-Michigan area, which, if authorized, would require connections for transshipment of the gas into the Appalachian area.

• **Will Boost Pressure**—Panhandle Eastern's project calls for installation of additional compressor capacity to allow the movement of gas at 600-lb. pressure rather than at 500 lb. as at present.

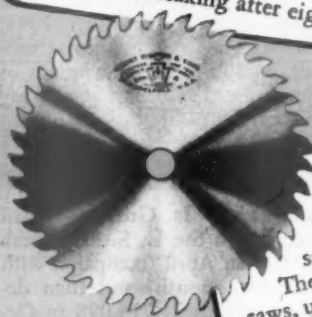
In addition, about 32 mi. of 24-in. lines will be constructed to allow delivery of the gas into the Ohio Fuel Gas Co. system near Muncie, Ind., and Maumee, Ohio.

Panhandle's application followed a request by WPB's Office of War Utilities that it undertake the project as "absolutely essential."

How a DISSTONEER solved the case of the SYNTHETIC CAMPHOR



A manufacturer of synthetic camphor was using band saws to cut this material. The saws were not cutting very well and were breaking after eight hours of service.



Whatever the cutting problem, there is a Disston saw, tool, file or knife that will solve it. If you need highly efficient files, consider—

A Disstoneer* was called in to make recommendations. He found, after careful study, that band saws were not the correct type of saw for the job. Then he experimented with various types of circular saws, until he found the right type for this particular job. Now this plant is cutting *nine* pieces at a time instead of five; production is much faster and there is no more breakage of saws. Furthermore, their synthetic camphor is being cut smoother than ever before.

Another clear-cut case of Disston leadership!

*DISSTONEER a man who combines the leadership and experience of Disston with sound engineering knowledge, to find the *right tool* for you—to cut metal, to cut wood and other materials—and TO CUT YOUR COST OF PRODUCTION!

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An extensive line of fine quality files that includes all commonly used patterns and sizes, each with clean, strong, sharp teeth cut at correct angles, and uniform in width and depth. Made by file specialists, backed by 80 years of file-making experience. Write for full particulars.

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These small metal pieces are a part of the modern train-dispatching communications equipment. Involving accurate stamping, tapping, and machining, they are typical of Ace facilities for fast, dependable production on small parts and assemblies.

Here you will find the ability and equipment that have earned an outstanding record in war-production. Here men and machines have turned-out parts calling for tolerances finer than the thickness of a human hair—and have done it on a mass-production basis. If you are looking for a future source of supply for small, accurate parts involving stamping, machining, heat-treating, grinding, and assembling, call on Ace today. Send sample, sketch, or blueprint for quotations.



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V-Mail Slumps

Campaign to increase use slated as billion-letter mark is passed. Filmed mail will have many postwar uses.

V-mail, begun two and a half years ago, passed the billion-letter mark in January, but like many another part of the military scene, it is not popular. Soldiers complain about it as they do about K rations and powdered eggs. But the postwar future of V-mail seems assured.

• **Not Enough Space**—"I can't read 'em," soldiers say about photographed letters, or "They aren't long enough to tell me the news from home." Recent monthly figures on V-mail, released herewith for the first time by the War Dept., show such a decline that the Army and the Post Office Dept. are campaigning to make letter writers see the necessity of using V-mail.

Peak month for filmed letters sent out of the country was May, 1944, when 31,390,833 were mailed (compared with 34,844 in the first month of the service, June, 1942), but since May the number fell steadily to lows of 21,025,722 in November and 21,790,177 in December—despite the Christmas surge.

• **Incoming Load Is Greater**—V-mail letters received in the U. S. hit a peak of 32,660,693 in April (compared with 18,957 the first month) and then declined irregularly to 21,714,098 in October but rallied to 26,041,626 in November and 30,325,293 in December.

Considering that there is one man or woman in uniform overseas for every 32 civilians at home, it is plain that the armed forces use V-mail much more than the folks back home. The Army guesses that this is because troops see more clearly the need for conserving transportation and write the short letters that V-mail use requires.

One plane of V-mail film is equal to 49 plane-loads of ordinary air mail, and soldiers haven't time to pen long letters. Furthermore, V-mail forms are usually easy to get.

• **Huge Volume**—The tremendous volume of mail going overseas, including packages and all kinds of letters, is estimated by the War Dept. at 45,000,000 pieces a week. This total is eleven times the peak in the World War and five times the peacetime figure. To cut weight and bulk, V-mail is the only solution. V-mail service costs are about \$2,500,000 a year.

The Army maintains 15 major V-mail processing plants outside the U. S. and three big installations at New York, Chicago, and San Francisco. The Navy has 36 mobile units placed where the service needs them.

• **Machine-Made Privacy**—Original letters are opened by machines at a rate of 300 a minute and microfilmed 1,500 an hour. They are printed abroad at a rate of 2,000 letters an hour, folded, sealed, and delivered. Such mass handling results in a privacy that letter-writers rarely think of.

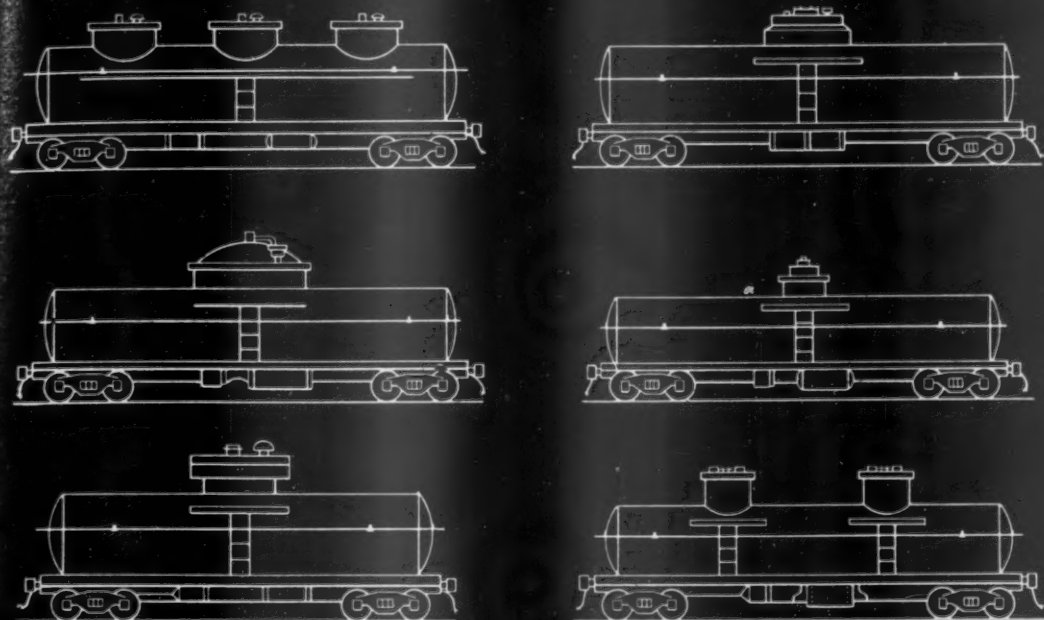
Many V-mail forms are not filmed and are delivered in the original. Last year perhaps 10% of outgoing and 20% of incoming V-mail reached its destination unfilmed. There were several reasons. Good regular plane service to

Growth and Decline of V-Mail Volume

In a short two years after its inception in mid-1942 V-mail mushroomed to a volume of more than 60,000,000 pieces a month just before the invasion of France. Since then, however, the amount has been declining. Because one plane of V-mail carries the equivalent of 49 plane-loads of air mail, the Army is putting new vigor into the campaign for its use. Here is the quarterly record of the number of pieces of V-mail sent and received:

	Sent From U. S.	Received in U. S.	Total
1942			
July-September	3,463,094	3,689,245	7,152,339
October-December	7,640,315	5,620,752	13,261,067
1943			
January-March	16,086,867	8,623,354	24,710,221
April-June	32,416,037	19,336,327	51,752,364
July-September	43,979,274	33,261,611	77,240,885
October-December	56,986,769	66,815,826	123,802,595
1944			
January-March	77,121,488	75,960,180	153,081,668
April-June	91,317,498	91,103,798	182,421,296
July-September	78,945,125	77,514,859	156,459,984
October-December	64,290,234	78,081,017	142,371,251

The Shape of Cars to Come



One of these may be the General American car built specifically to handle your new liquid or gas product.

It doesn't look very different. Yet, it may have unusual new features in lining or insulation—in temperature or pressure control—for safe handling of a product never before carried in bulk.

No matter how hard-to-handle your commodity may be, General American design and construction will give low-cost, efficient transportation.



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Open 'em up when they arrive and they're ready to go to work immediately. Double purpose packages—shipping box plus product display—win dealer's approval. Just a simple setting-up operation and they go into sales action immediately—thanks to H & D's simplified construction. Each box is a master salesman, prepared by expert package engineers who know, through experience and results records, how to design the kind of sales packages retailers prefer.



H & D Post-War Packaging Idea—SHIPPER DISPLAY BOX*

Trim, attractive, compact H & D Shipper-Display boxes offer these outstanding features; safe transportation; novelty die-cuts; modern design; rich color printing; attractive displays. Make your packaging pay a profit by including it in your merchandising plans. H & D's booklet, "Pack to Attract" is full of profitable ideas. Send for your copy, today.

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AUTHORITY ON PACKAGING

*U. S. PAT. 2,169,240

The HINDE & DAUCH Paper Co., 4561 Decatur Street, Sandusky, Ohio

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Alaska, the Caribbean, and South America made it cheaper and faster to send originals to those areas.

In Europe, the threat of robot bombs caused the military to move much mail by plane, unprocessed, to the U. S. The bombing of a large V-mail plant in England last autumn and the mobility of the war in France affected this decision.

• **Reports by Radio**—Safe arrival of films abroad (each one is numbered) is radioed back to the U. S. whereupon the original letters are destroyed, but warfare may destroy not only the film but also the originals in battle zones. Destruction of one 7-oz. film containing negatives of 1,800 letters is quite a loss if it can't be rephotographed.

Postoffices at home distribute V-mail forms free (126,652,870 in two and one-half years). People have bought four times that many in drugstores and stationery shops.

• **Uptrend Expected**—Filmed V-mail letters sent overseas as of Jan. 21 were 493,091,699 and filmed V-mail received was 475,780,914, or a grand total of 968,872,613. The 1,000,000,000 total was passed a few days later, and Army officials predict that a new monthly high will be set this February as a result of greater public understanding of the need of conserving transport. The Army urges people to use air mail and regular letters only when snapshots or clippings are to be enclosed, and to write four V-mail shorts to every longer letter. A son or daughter who stands in line for mail call would rather have a brief V-mail letter than to go through the motions and get nothing.

• **Greater Use Foreseen**—After the war, V-mail is certain to play an important part in swift mails. England is already using it between civilians in most parts of its empire. Permanent installations will spring up when peace comes.

Charts, blueprints, tabulations, and even books can then go, without copying errors, by cheapest air rates.

NEW QUEEN FOR LAKES

Plans for a new passenger vessel, to be built after the war, have been announced by the Detroit & Cleveland Navigation Co. for traffic between Detroit, Cleveland, and Buffalo.

The new 5-deck ship will replace the lakes steamer "Greater Buffalo," which was requisitioned by the Navy early in the war and converted for use as a trainer aircraft carrier.

The new ship, designed by Gibbs & Cox of New York City, will be oil fueled, will accommodate 1,215 passengers in 592 cabins, and have hold capacity for 1,000 tons of freight and 100 automobiles.

PREVIEW FOR YOUR CAST PRODUCTS

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Too Much Helium

With production running 25 times peacetime rate, U. S. Bureau of Mines hopes industry will find new uses for gas.

Helium, the inert gas that won't burn, has become so plentiful that the Bureau of Mines wishes industry would find new uses for it.

• **More Wartime Uses**—The bureau's five plants are producing more than 25 times the prewar volume of helium, which is extracted under government monopoly. Industrial and medical uses have tripled in two years (250,000 cu.ft. a month in 1944 compared with 88,000 cu.ft. a month in 1942) but this still is only half of prewar output.

Military uses of helium are mainly naval—for blimps on submarine patrol, to prevent "bends" in men working under high air pressure, and in escapes from submarines (BW-Apr. 24 '43, p. 50)—but the Army uses the gas, too. All over the world, its meteorologists use it in radio-sonde balloons making weather observations.

• **Postwar Question**—The biggest problem is what to do with helium when the war ends. Experiments are chiefly in the field of heliarc welding. Magnesium and some alloys burst into flame unless welded in a smothering helium blanket. Similar gas blankets may result in better techniques in making steel, where heavy oxidation can be reduced.

Other tests are being made to determine the value of helium in the preserving of canned foods.

Medical uses include anesthetics where a small amount of helium prevents possible explosions.

• **\$16,000,000 Investment**—There are plenty of cylinders and tank cars for shipments of helium, for they aren't easily usable for other products.

The government's investment in its helium program is about \$16,000,000. Two plants are in Texas (which had the only one before the war), two in Kansas, and one in New Mexico. The gas costs its sole producer, the Bureau of Mines, \$6 to \$7 a 1,000 cu.ft. if fixed charges and depreciation are not figured on the plants. It sells between \$10 and \$12 to nongovernment users.

• **Improves Fuel**—The government plants remove helium from natural gas (1% recovery is average, but it runs as high as 7%), thus leaving a better fuel. A byproduct, helium can't be shut off if supply exceeds demand without shutting off the gas supply, too. That's one reason why new uses for it are being sought.

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WITHOUT BALCOTE

Before the application of Balcote to a lens system in a camera or binocular, light striking the lens often obscured the scene. This picture was taken through a standard B&L uncoated lens. The best possible print was made from the negative thus secured.



WITH BALCOTE



A Balcote surfaced lens under identical conditions reveals the scene sharply, clearly, and with greater brilliance. This picture, taken through the same type B&L lens with Balcote finish, was given identical exposure and development. Note the detail and clarity in the print from this negative.

Valentino Sarra made the above two photographs with two cameras with simultaneous and equal exposure.

"Balcote" Revolutionizes Optical Science



To build lens systems that would let more light through... that would eliminate the light loss and the "flare" caused by internal reflections... that would give sharper, clearer, more brilliant images... has been the objective of scientists for years.

Long before the war, Bausch & Lomb had developed methods of coating lenses to reduce reflections and permit the passage of more light. As a result, Bausch & Lomb, in 1939, introduced B&L Super Cinephor Projection Lenses with antireflection coatings. These lenses were used in projecting the Technicolor motion picture, "Gone With The Wind." Because these lenses passed 30% more of the light, it was possible to obtain the richer, deeper colors on a larger screen.

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available, is used on B&L Photographic Lenses, other military optical instruments, and wherever light transmission is a problem. In wartime binoculars, the use of Balcote has meant an increase of as much as 54% in brilliance. In peacetime products, it will help to set new standards for performance in every optical application for which it is used. Bausch & Lomb Optical Co., Rochester 2, New York.

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UTILITIES

Tax Upset

Detroit's attempt to place 20% levy on gross revenues of utility is declared illegal by circuit court judge.

When the Michigan Public Service Commission on July 17, 1943, turned down the Detroit city council's demand for reduction of service rates of the Detroit Edison Co. by a sum almost equal to the utility's federal excess-profits tax liability, the council struck back with two steps.

• **City Levies Tax**—The council (1) adopted an ordinance levying a tax of 20% on the gross revenues of Detroit

Edison and Michigan Consolidated Gas Co., and (2) appealed the Public Service Commission's ruling to the Michigan Supreme Court which eventually held that for the purpose of determining reasonable rates, the commission had the authority to eliminate the excess-profits tax liability from the utility's operating expenses.

The Public Service Commission then ordered Detroit Edison, and other Michigan utilities, to refund to customers sums almost equal to the federal excess-profits tax liabilities. After the rebates some profits tax liability would remain. But, the utilities appealed and the cases are pending in Michigan courts.

• **Ordinance Upset**—Last week circuit Court Judge Joseph A. Moynihan ruled that Detroit's attempt to tax the gross earnings was unconstitutional. It is un-

derstood that the city will appeal that decision.

Thus Detroit found itself in this position: If both the tax ordinance and the Public Service Commission's order to refund Detroit Edison and Michigan Bell "excess" earnings to customers are upheld, the ordinance will be almost profitless to the city.

This paradox arises from a provision in the tax ordinance which would limit taxes collected under it to the amount of the utilities' excess-profits tax liability. Hence, if excess-profits taxes were wholly erased through refunds to customers, the utilities' tax liability would be reduced to zero.

PUD Is Resisted

Rebuffed in condemnation proceedings, northwestern firm opposes attempt to force sale of its current, too.

Undaunted by a succession of courtroom losses in its quarrel with public power advocates, the Washington Water Power Co. went to the mat again last week with Public Utility District No. 1 of Okanogan County, Wash.

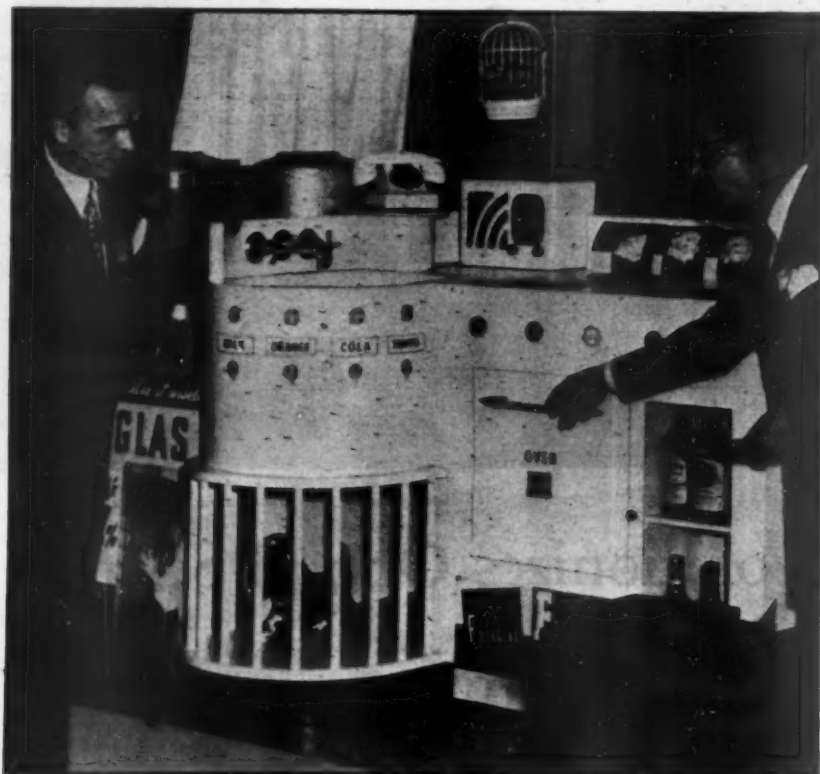
• **Balks Power Sale**—Washington Water Power asked the Okanogan County Superior Court for a declaratory judgment that it does not have to sell power to the PUD for distribution through the facilities which the PUD is seizing by condemnation from the private utility. An opinion by the state attorney general that such sale is obligatory brought the issue to a head.

Condemnation proceedings, begun five years ago by the PUD to acquire the private concern's distribution facilities in Okanogan County, have survived in every court that has reviewed the case, including the Washington Supreme Court.

• **Bond Issue Revised**—Last November, however, the PUD revised its purchase resolution to provide additional funds for working capital. The company and several taxpayers are contesting this increase in bond authorizations before the state's highest court.

The PUD is deficient in generating capacity, has but one plant turning out 3,200 kw. The Bonneville Power Administration has a congressional appropriation of \$485,000 to build a 44-mi. transmission line from Grand Coulee Dam to Brewster, in southern Okanogan County, but this project is unlikely to materialize until after the war.

• **Bill in Preparation**—Washington Water Power and the Okanogan PUD



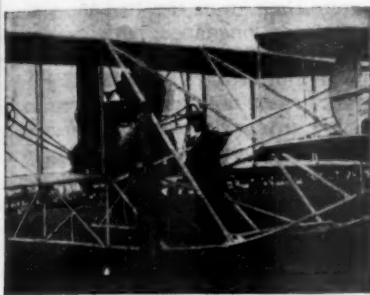
EVERYTHING—including THE KITCHEN SINK

With tongue in cheek, Owens-Corning Fiberglas sets up a model "no future" range (above) to debunk wishful thinking in industrial designing and push Fiberglas as insulation in future home appliances "regardless of design." Exhibited recently in Chicago, the range incorporates a sink, kennel, radio, liquor cabinet, and bird cage. Even so, the stove is less fanciful than "schematic" drawings of "dream" appliances shown with it. The company prefaced its exhibit with apologies to designers and production engineers.

From a string on a strut...

To this...

IN THE EARLIEST days of aviation, airplanes had no instruments—and a pilot flew "by the seat of his pants."

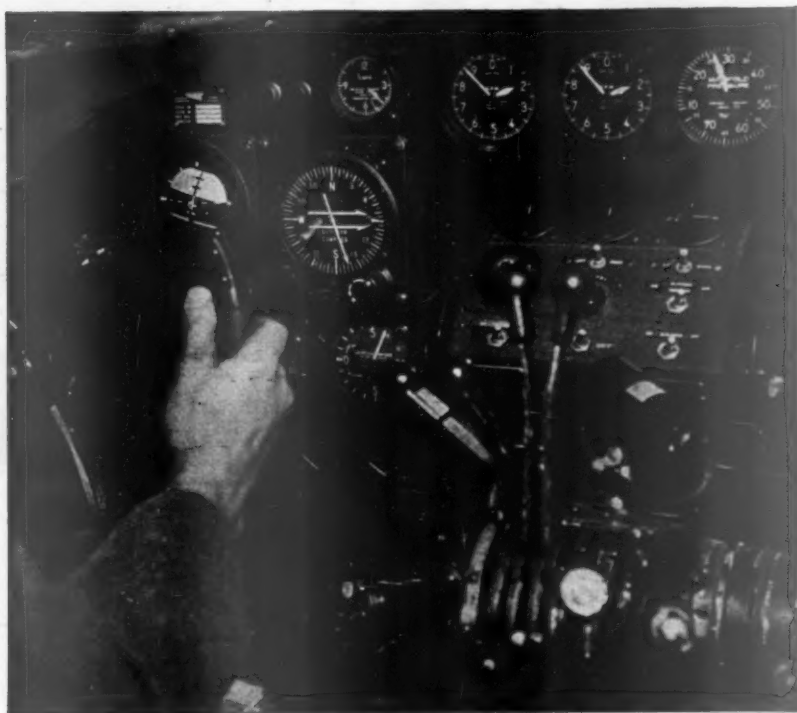


Sometimes aviators tied a piece of string to a strut. In normal flight it whipped straight back. If the string deflected to one side it indicated that the plane was slipping sidewise. But mostly they flew by the feel of the wind in their faces, and by direct observation of the ground and the horizon.

In 1914, at the beginning of World War I, flight instruments began to appear. One of the first was the Sperry Magnetic Compass for instrument panel mounting—a big improvement over former compasses of the marine type which were placed on the floor of the cockpit.

The Sperry Turn Indicator was introduced in 1918. It was so basic in design that practically every airplane that flies today carries an instrument of that type. A few years later another basic flight instrument appeared on instrument panels—the Sperry Directional Gyro. Being non-magnetic, it eliminated the swaying needle and magnetic error of the usual compass, and is still found among the dozens of amazingly accurate flight instruments on which pilots depend today.

Sperry flight research has grown many



Instrument panel of a Sperry "flying laboratory" showing the last word in modern flight instrumentation.

times over, and it embraces the new science of electronics in many of its projects. Under the stimulus of wartime demand, new devices have been developed in record-breaking time—and in record-breaking numbers.



Sperry engineers testing intricate flight instruments in a B-24 lent by the A.A.F. and fitted by Sperry as a flying laboratory.

Many of these developments are secret. But it is one of the few compensations of war that many of them will someday be adapted to peacetime use:

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When that time arrives, Sperry's research laboratories will tackle the task of making peacetime flying safer, swifter, more economical, and more comfortable.

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David Dietz, Science Editor of Scripps-Howard, tells how modern science meets an ancient peril of the sea



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may never come to blows over sale of power if a bill now in preparation should be enacted by the Washington legislature.

This measure would require such sale and empower the state Dept. of Public Service to establish wholesale rates.

Power for Ickes

Interior Dept. suggests that it get authority to market electricity from any new valley projects resembling TVA.

The Interior Dept.'s power planners are hard at work on projects which, even though they will take some years to bear fruit, stand to work a drastic change in the nation's electric power system not too long after the war ends.

• **Victory for Ickes**—Long Washington's most vigorous and untiring proponent of large-scale public ownership, the Interior Dept. won the tool most necessary to its long-range, nationwide plans late in the last Congress when the flood control bill (BW—Jan. 13 '45, p. 39) passed with a clear-cut expression of policy giving the department marketing jurisdiction over energy developed at War Dept. water control projects.

The nature of the victory won by Interior Secretary Harold L. Ickes is broad enough to warrant the belief that whenever federal power projects are constructed hereafter—other than by regional development authorities similar to the Tennessee Valley Authority—their energy will be marketed by the Interior Dept.

• **Broader Field Scanned**—Having nailed down this authority, Ickes has set about consolidating the Interior Dept.'s position by suggesting that any authority or other regional agency like TVA should be under Interior Dept.'s jurisdiction.

• **Northwest Warfare**—The question of whether Ickes would control output of future regional authorities is not so academic as it might appear from the fact that the power would be publicly owned in either case.

The private power industry, while it still believes that TVA's utility rate "yardstick" measures but 30 in., gets along with TVA comfortably enough and no longer bristles at the agency on general principles. But in the Northwest, where Ickes' Bonneville Power Administration chafes under the necessity of maintaining a truce with private power for the duration, the warfare is real and bitter.

• **SPA Studies Bill**—Thus far, Ickes has two regional power marketing authorities—Bonneville at Portland, Ore., and

the Southwest Power Administration, with headquarters at Tulsa. The latter markets the output of Grand River Dam, taken over from the state of Oklahoma, Denison Dam on Texas' Red River, and Norfolk Dam, on the north fork of Arkansas' White River, the latter about to go into production.

SPA men are now studying the extent to which the flood control bill will augment their system. Projects in the bill which logically fall into SPA's sphere of influence are the Blakely Mountain Dam in the Ouachita River basin (63,000 kw.), the Arkansas River basin project, whose ultimate capacity will be about 100,000 kw., and the White River basin project, with an ultimate capacity of about 325,000 kw. The three existing SPA dams now have 130,000 kw., with ultimate capacities of another 225,000 kw. All this hydro capacity, of course, would require considerable steam-fired backup if contracts for large blocks of firm power are to be written. This points inevitably to acquisition by SPA of surplus war power plants—or their output—in the region (BW—Nov. 18'44, p. 66).

... And Looks Afar—Based on the fact that the maximum feasible range for power transmission is 300 miles, SPA could cast its eyes from its present three dams east to Birmingham, Ala., Decatur, Ala., and Terre Haute, Ind., north to Peoria, Ill., Muscatine, Iowa, and Lincoln, Neb., west to Borger, Tex., high in the Panhandle, and south to the Gulf Coast from San Antonio almost to Baton Rouge, La.

In this area are 17 government-owned steam power plants erected for war purposes, with capacity in excess of 400,000 kw. Not all will be declared surplus, of course, and SPA may see no point in going so far north and east. Even so, in its own Oklahoma-Arkansas-East Texas area, with parts of Louisiana, Missouri, and Kansas thrown in, SPA has enough capacity or the opportunity to get it that private electric systems in the area may find themselves faced with stiff government competition.

• Heading East—Since the electric power in the flood control bill goes to the Interior Dept., and since some of it is located east of the Mississippi, the Interior Dept., when the flood control projects are eventually completed, will get its first opportunity to cross Old Man River heading east. Creation of a Southeast Power Administration may be the upshot.

Bordering TVA's southeastern domain are two projects authorized by the flood control bill, the Allatoona Reservoir on Georgia's Etowah River, with an ultimate capacity of 75,000 kw., and the Clark's Hill Reservoir on Georgia's Savannah River, with ultimate capacity



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guish every flicker of flame. Dry and inert, the gas does not damage the equipment or rot the insulation.

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almost 750,000 kw. Numerous other projects for this region are under study included in the rivers and harbors bill, which Congress will pass this session.

Moot Question—As for other regional power marketing agencies, the Interior Dept. already has the Northwest sewed up, which takes care of the projected large developments on the Columbia and its tributaries, principally the Snake. Jurisdiction over the Missouri River, with its ultimate capacity of 1,100,000 kw., is still a moot question, to be decided probably at this session of Congress when the proposal to create a Missouri Valley Authority is accepted or rejected. There are other scattered projects not yet ready—the Potomac, the Chesapeake, the Connecticut, to name a few. The Interior Dept. should easily be able to keep busy.

Lapham in a Fix

Ickes tries to get mayor of San Francisco to campaign for public ownership or face old Hetch Hetchy injunction.

Interior Secretary Harold L. Ickes, who has vainly tried on numerous occasions since 1933 to persuade San Francisco voters to authorize city acquisition of the municipal distribution system of the Pacific Gas & Electric Co., has Mayor Roger Lapham in a box from which Houdini himself would hesitate to guarantee exit unscathed.

Strings Tied to Grant—In 1913 the federal government granted the city the right to use waters arising on federal lands for the generation of hydroelectric power, tying the grant up to a prohibition against permitting any energy from the resulting Hetch Hetchy hydro plant to be sold by any private agency. The Baker act, under which this was authorized, also anticipated municipal ownership of the city electric system, a proposition city voters have rejected nine times altogether.

Failing in his attempts to municipalize the city system, Ickes won from Federal Judge Michael J. Roche in 1938 an injunction against continued sale by the city of Hetch Hetchy power to P.G.&E. After some temporary arrangements fell through early last year, the city obtained two stays of injunction to work out a new plan (BW—Sep. 24, p. 22).

Partial Settlement—Ickes and Lapham had agreed last week on a plan under which some of the Hetch Hetchy output (525,000,000-kwh. in 1943) would be disposed of, in compliance with the



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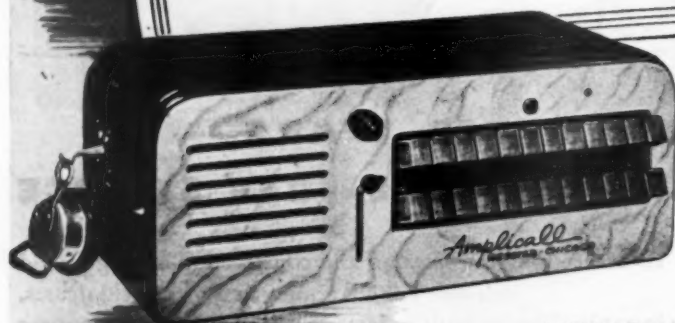
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Raker act, by diverting part of it to serve city load—traction, public building and school lighting, etc.—and by selling another part of it to two outlying irrigation districts (BW—Dec. 9'4—p41).

Over the nine years for which the first contracts with the two districts would run, city and irrigation district loads are expected to grow to a point at which all Hetch Hetchy's capacity would be absorbed on peak, but a sizable block of its kilowatt-hour output would remain unclaimed by any distributor eligible under the Raker act. Ickes refused the city's suggestion that this excess energy be sold to P.G.&E. to avoid wasting it, with consequent annual revenue loss of \$1,250,000 to the city.

• **There's a Catch in It**—Instead Ickes, who counts that day lost in which no blow is struck for public ownership of electric power, suggested that Lapham put on next fall's municipal ballot a declaration of policy whereby the city would (1) ask Congress to suspend the Raker act's prohibition against sale to P.G.&E. for some years while (2) the city approved in principle and took steps toward acquisition of P.G.&E.'s city system.

If the voters approved the declaration, the city would, in 1946, submit to them a bond issue for an amount sufficient to buy P.G.&E.'s city distribution properties.

• **Further Stay Promised**—The Interior Dept. would, if the policy declaration went on the 1945 ballot, ask Judge Roche for a further stay of injunction beyond the Feb. 28 expiration date of the present stay, but only if Lapham would "campaign actively" for the passage of the bond issue as well as the declaration of policy.

Lapham agreed to campaign for the latter, but said he was unable to commit himself to campaign for the bond issue since the city has a postwar program which envisages considerable expenditure for such projects as airport development, improvement of mass transportation, and additional water supply.

• **Interior Stands Pat**—With this rebuff to the latest idea for forcing the city to municipalize its power system, Under Secretary Abe Fortas, acting for Ickes, threw up his hands, pointed out that the Interior Dept. is merely an enforcement officer for the Raker act, and retreated to a position prepared in the rear last summer when Interior announced that it would oppose any further stay of injunction.

If no further stay is granted, the city will have to curtail Hetch Hetchy output drastically next Mar. 1, and P.G.&E., which has been distributing the energy, presumably will have to put gas-fired generating capacity on the line to take up the slack.

Rate Bodies Clash

Federal and state power commissions fight over who is to regulate accounting, rates of Arkansas utility company.

Two regulatory bodies—one federal, one state—which are squabbling over who shall be top dog in regulating a public utility have been brought into court by the Arkansas Power & Light Co. The issues put to the U.S. District Court for the District of Columbia involve jurisdiction, to which both the Federal Power Commission and the Arkansas Utilities Commission lay claim, and the principle of rate making to be applied by A. P. & L.

• **Company Seeks Writ**—Caught between conflicting orders of the two commissions, the company asks that the FPC be enjoined from enforcing its reclassification of accounts order until a special three-judge court is named to decide which commission shall rule.

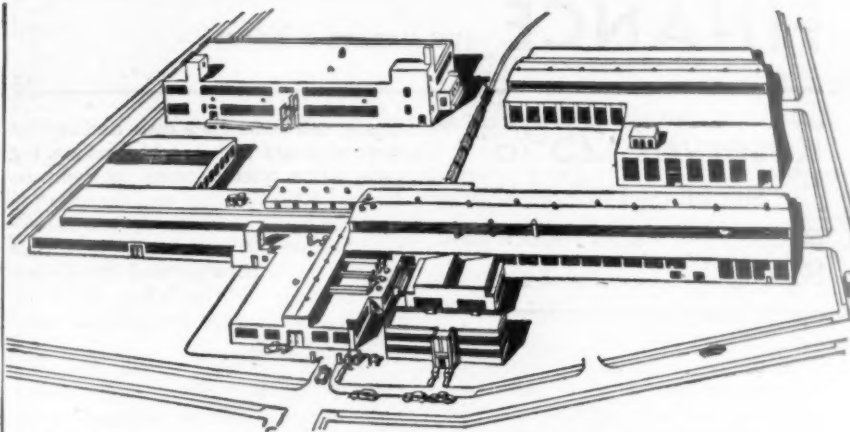
The dispute grows out of the Arkansas commission's refusal to agree fully with FPC which has been working for years—quite successfully—to establish the original-cost theory as the basis for utility rate making. Last summer, the state commission applied the prudent-investment concept, ordering \$20,347,360 written off.

• **The Other Way**—The federal commission, meanwhile, completed a concurrent study and, applying the original-cost concept, ordered the power company to show cause why \$21,174,256 should not be written off.

Under original cost, electric utilities are not allowed to value properties at any figure in excess of the cost to the first owner who devoted them to public service. Prudent investment permits the commission having jurisdiction to allow such excess valuation over original cost as it deems proper.

• **Additional Differences**—FPC contends that \$2,574,000 which the Arkansas commission would allow A. P. & L. to write off over 15 years should be so classified as to be written off at once, and adds that an additional \$826,896 which the Arkansas commission would allow to remain on the books as a proper valuation also be written off immediately.

The state commission, which has been at odds with FPC for some years (BW—Jun.17'44,p7) and one of whose members came to Washington last summer to oppose vigorously the confirmation of Leland Olds for membership on FPC, has joined with the A. P. & L. in its suit.



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The distinctive properties of Ampco Metal — its resistance to wear, impact, fatigue, and corrosion — its ability to last several times as long as ordinary bronze — are available to you in a form that fits your needs. This is true because Ampco is completely equipped to produce and work the metal by every commonly used process. By constant research and experimentation, Ampco has continually added new processes, giving results heretofore impossible with this particular material. Specify Ampco Metal with confidence that the Ampco organization can provide the engineering and production "know-how" and the specialized plant facilities to deliver the part you want.



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Reserves: 25%

Bills offered in both houses of Congress would reduce gold backing for Federal Reserve's deposit and note liabilities.

Chairmen of the House and Senate banking committees this week introduced new legislation (BW—Nov. 18 '44, p124) tinkering with our central money mechanisms—with nary a ripple of dissent to their major proposal. The bill would reduce the present gold reserve of 40% that is required against Federal Reserve Bank notes and of 35% against Federal Reserve deposits to 25% all around.

• **Long Stability Ended**—Although Congress more than a decade ago ended the convertibility of cash into gold, the banking mechanism nonetheless has

legally still been on a cash backing for bank deposits and a gold backing for cash. The reserve ration of gold to Federal Reserve notes and deposits (of member banks with the central banks) held between 60% and 80% both during the stable twenties, and also during the unstable thirties when flight of capital from Europe brought us many billions in gold.

In 1939 and 1940, western Europe's arms buying and capital flight added more than five billions additional gold, boosting the reserve ration over 90%. But, since Pearl Harbor, the ration has been declining ever more sharply to its present 49%.

• **Cash Tells the Story**—For one thing, an excess of imports over cash exports and pay to servicemen in foreign lands has cost us more than half our 1939-1940 gold gains.

But the reserve-liability ration has dropped primarily because of the nearly 15-billion-dollar, 150% rise in money in

circulation—attributable to (1) the country's larger cash needs for expanded payrolls and sales, (2) cash savings by workers unfamiliar with banks, and (3) cash transactions of black marketeers and tax evaders.

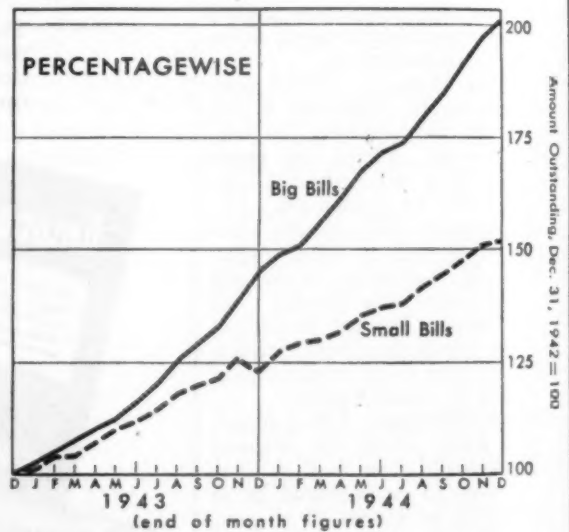
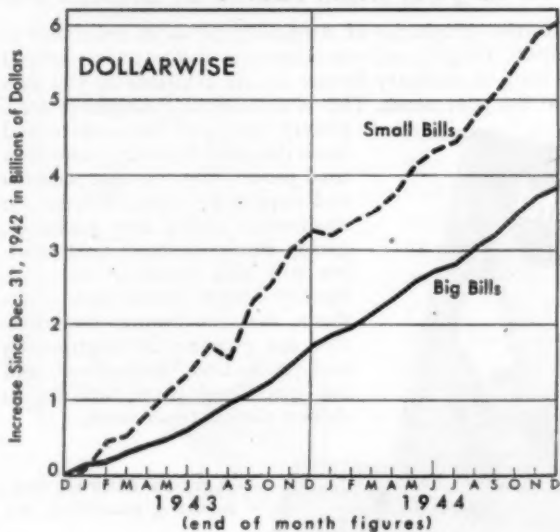
Cash piling up in illegal transactions is serious as evidence of the undermining of the price and tax controls which bar the door to inflation, but most observers regard this, so far, as the least of the factors booming currency circulation.

At 49%, the reserve ratio today is still comfortably above present legal minimums, but continued gold losses and cash expansion at recent rates would drop it below the 40% mark in another nine months or so.

• **Future Uncertainties**—Not only are Federal Reserve authorities making no bets on Germany's early fall, but also present plans for limited cutbacks after V-E Day make it likely that cash savings and gold exports will go on through the Japanese war, further dropping the ratio. But gold drains and currency increases could continue at current rates for another three years—a most improbable prospect—before the ratio

BIG MONEY—"HOT" MONEY

Increase of money in circulation since Dec. 1942



Data: Federal Reserve Board.

— Coin and Bills up to \$20

— Bills \$50 and over

© BUSINESS WEEK

The war has brought a record increase in currency circulation—a jump of nearly \$10,000,000,000 in the past two years, of which close to \$4,000,000,000 has been in bills of \$50 and larger denominations, a 100% increase as compared with only 50% in coins and small bills. Three factors lift currency demand: (1) increased payrolls and retail sales, which have, however, flattened out in the past year; (2) cash hoarded by war workers who are unfamiliar with bank accounts; (3) tax evasions and black markets.

The huge rise in big bills—out of proportion to past experience—suggests their use in illegal exchanges (checks can be traced). Treasury agents alone made 1,000 arrests last year to break up liquor, sugar, gasoline, and other black markets. But this would seem only to skim the surface of the many billions of dollars that are possibly involved in illegal deals, and the upward surge of the big bill curve may be taken as an index of the continued undermining of anti-inflation controls by "hot money."

would hit the newly proposed 25% minimum.

If the law went unrevised, after the Federal Reserve exhausted other powers to keep credit easy, the banking system would be caught in legal toils, unable to absorb new government bond issues or to provide additional circulating cash demanded by the economy.

No Real Worries—As for long-range public confidence in the American dollar, the Federal Reserve points out that (1) other nations maintain incomparably smaller reserves successfully, and (2) we still have by far the world's record gold hoard except for our own 1941 peak.

The one point where opposition to the new bill will be strong and sharp is its provisions for extending indefinitely the authority to back currency with direct government obligations. The Federal Reserve has never used this right to issue "greenbacks"—and might well argue that modern money management actually requires no greater currency backing—but most bankers, in the orthodox tradition, insist that this ultimately courts the destroying of confidence, bringing uncontrolled spending of savings and inflation.

Success Is Likely—But odds are the Administration will get its way—unless, possibly, the "greenback" issue is used to crystallize a renewed struggle over postwar money management in general.

TRACTION DECISIONS DUE

Chicago's traction troubles inched toward eventual solution last week.

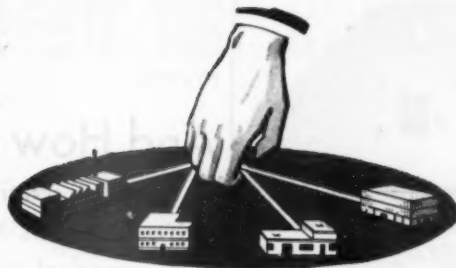
Judge Michael L. Igoe of U. S. District Court, who is in charge of the surface lines and elevated companies' bankruptcies, had previously approved a plan for their unification and reorganization under private ownership. This plan was a revision to meet objections raised in 1943 by the Illinois Commerce Commission when it rejected a unification proposal.

Judge Igoe has now ordered that his plan be submitted to the state board for decision by Mar. 16. He also gave the Securities & Exchange Commission 90 days to submit a report on the soundness and justice of the plan. He further asserted that if municipal ownership (BW-Feb.10'45,p71) is the goal, this reorganization plan can be amended to meet its requirements.

Meanwhile Gov. Dwight H. Green, Republican, and Mayor Edward J. Kelly, Democrat, are reported agreed on a program that looks to eventual absorption in a city-owned system of five sizable streetcar and bus lines which serve west and north suburbs.

The city council committee on local

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is on the job!



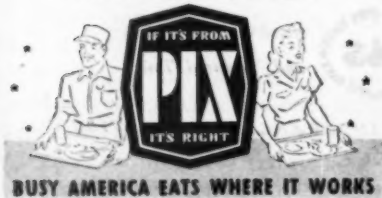
BETTER LUNCHES PAY OFF IN BETTER WORK

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BUSY AMERICA EATS WHERE IT WORKS

transportation has now approved a plan for municipal purchase of the elevated lines for \$12,162,500 in cash, and the surface lines for \$75,000,000. Since the surface lines have special funds totaling \$29,000,000 which would go with the title, actual cost to the city would be \$46,000,000. Cash distribution to security holders of the two systems would exceed \$100,000,000; \$85,000,000 surface lines and \$14,894,500 elevated.

And How It Grew

Valley National Bank of Arizona reflects the enterprise of its president in annual report detailing 13 years of history.

In 1932 the Valley National Bank and its nine branches in Arizona reported total deposits of \$6,724,000. In 1944 branches had increased to 19 and deposits to \$146,300,000. Valley National now holds almost 51% of all bank deposits in Arizona, compared with only 20% twelve years ago.

These cold statistical facts lift no eyebrows in the West where the growth of banks, particularly during the war years, has ranged from steady to phenomenal.

But in conjunction with a mountain of other cold statistical facts about the Valley National Bank which were made available recently to the institution's 911 holders of common stock, the mushrooming of deposits aroused discussion and some curiosity in eastern banking houses.

• **Largest in Rockies**—The Valley National's 22-page report to stockholders, like the easy gaited, conversational type of report now widely used by industrial corporations, discloses in minute detail the events of 1944 which made it possible to claim that the institution became the largest bank in the Rocky Mountain states.

The report goes further. It compares these events with those of 1943, 1942, and all the other years back to 1932 in some cases, and illustrates them with bar charts, statistical tables, and explanatory notes. Other banks have come a long way in the direction of unraveling the mysteries of the annual report, but few in such detail as the Valley National.

• **Rapid Turnover**—The stockholder report makes no effort to gloss over some of the operating difficulties.

Personnel changes, for example, represent one of today's biggest problems. To increase the staff from 514 to 593 members in 1944 it proved

necessary to take on 530 new employees. This rapid turnover is hurting operating efficiency and profits, but an intensive training program is said to be producing promising results.

• **He Cracked the Shell**—Growth of the Valley National Bank and its departure from the orthodox ways of the hard-shelled financial institutions have been accepted in Phoenix as a matter of course since Walter R. Bimson assumed the presidency in 1932.

Bimson, now approaching 53, got his first taste of banking as a youth high in the Rockies in Berthoud, Colo. After serving in the Navy during the World War and attending the University of Colorado, the University of Chicago, and the Harvard School of Business Administration, he entered the Harris Trust & Savings Bank, Chicago, in an obscure position.

Bimson was vice-president of the Chicago bank twelve years later when, having acquired an interest in the Valley National, he left for Phoenix to become president of the Arizona bank.

• **Branches Doubled**—Since then the Phoenix bank's branches have more than doubled, the latest established last December in Litchfield Park, home of the Goodyear Tire & Rubber Co.'s aircraft plant and agricultural development, Goodyear Farms.

In the 13 years since Bimson became president, Valley National has increased the number of customers it serves from



Walter R. Bimson displays some of the charts that reflect the Valley National Bank of Arizona's meteoric rise and his career as its president.

Let's give sober thought to the tires we have on our cars today

This is straight talk about your car and your tires!

You need your car and your nation needs it... *more than ever!*

Three years ago we sent you a message through the newspapers and magazines of this country with this headline, "Supposing we all laid up our cars for the duration of the war".

The whole nation responded with the overwhelming answer that such a national catastrophe must not happen. Today, with our Armies moving ahead on every battle front, it is much more important than ever before to keep our war cars rolling.

You need every mile in your tires and

your nation needs them... *more than ever!*

No one can promise when you'll get new tires. You know why. They are needed in Europe and in the Pacific. And you wouldn't want it any other way.

Let's give sober thought to the tires we have on our cars today.

Remember the Tire Conservation Program that this company gave the car owners of America in 1942.

Tire Conservation is more important than ever to you today.

If every car owner cuts his mileage in half—he doubles the life of his tires.

Make precious every tire mile.

Guard your tires to every last mile of their tire life.

HERE'S HOW YOU CAN KEEP YOUR CAR ROLLING!

1. Drive to your nearest tire dealer today and have him check over each of your tires including the spare for cuts, bruises or other signs of failure.

2. Ask him to give you an estimate on how much mileage you can reasonably expect from the present treads and whether it will be possible to recap when the tread wears smooth.

3. Do some actual pencil and paper figuring to see how long that mileage

will last you. No one knows when the war will end, but if no new tires could be purchased, do you honestly think your present tires will pull you through at your present driving rate?

4. Cut down your driving to absolute essentials. Apply the same rule to anyone else who drives your car. When your car is in the garage you save rubber and gasoline. Our fighting men need both.

5. Keep speeds down—under 35

miles an hour and avoid curbs, holes and ruts.

6. Keep air pressure up to 32 pounds all around—including the spare. Check air pressure every week whether you use the car or not.

7. Recap in time—see your tire dealer as soon as your tires wear smooth—don't wait till the fabric shows through.

8. Always remember—your car is a war car now!

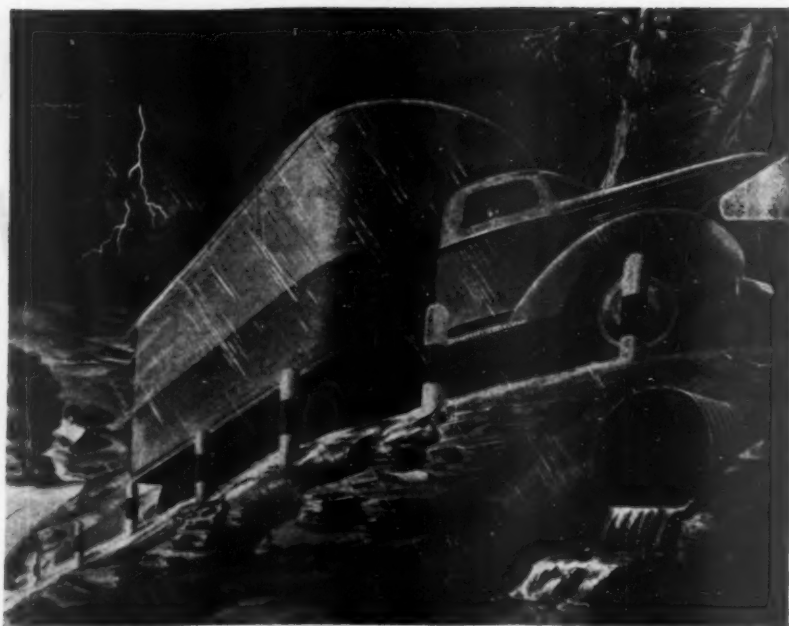
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There must be no compromise with *Safety*

Warner "Vari-Load" Electric Brakes are Safer!

TODAY, America is depending on motor transportation as never before. Every load of war materials and equipment carried by big trailer outfits must get through — and *on time!* Delays due to accidents caused by ineffective brakes must be prevented — there should be no compromise with *safety!*

It is significant that 80% of all power-brake equipped trailing vehicles purchased by the government during this war — *have Warner Electric Brakes.* So take a tip from Uncle Sam — protect your drivers, your cargoes, and your trailer outfits — give them the **EXTRA SAFETY** of **Controlled Braking Power** — exclusive feature of Warner "Vari-Load" **ELECTRIC** Brakes. No matter what the weather, the driver can pre-set any and all brakes to fit **BOTH** load conditions and road conditions — thus keeping his train straightened out and under full control even when the going is slippery, and avoiding costly tie-ups due to damaged equipment. On all future trailer purchases, specify Warner "Vari-Load" **Electric Brakes**—world-famous for safety, simplicity, and dependable, efficient, trouble-free performance.

WARNER ELECTRIC BRAKE MFG. COMPANY
BELLOIT, WISCONSIN

Only a few flexible wires. Nothing to freeze or chatter — No complicated mechanisms.



13,500 to 140,000. Its loans have since from \$3,172,000 to \$33,797,000, a substantial volume in instalment loans.

• **A Million of Common**—The Value National broadened its tax base last year by doubling its common capital and surplus through the sale of a million dollars of new common stock. Earnings after \$430,274 of taxes before dividends (3% on \$700,000) preferred owned by Reconstruction Finance Corp., 50¢ on common) were \$755,411 compared with \$598,329 in 1943 and but \$351,256 in 1936.

"Policy" Survives

New York stock exchange stop publishing exact figures to prevent use in numbers pay-off but other sources are handy.

In the numbers game, you pick a three-digit number that strikes your fancy—953 or 467 or 448—and if your number wins that day, you usually collect \$600 for every \$1 you bet. (The odds are only 999-to-1 against you.)

• **The Pay-Off**—What determines whether your number is a winner depends on what "policy bank" covers your bet. Some of them nowadays pay off on such esoteric statistics as the daily totals of the Cincinnati Clearing House; others prefer another set of figures. Three requirements govern the selection of the pay-off guide: (1) The figures must be published daily; (2) they must come from an unimpeachable source—one that can't be tampered with; (3) they must be completely variable, free of all periodicity.

Time was when the parimutuel figures of any one of the big tracks met these specifications perfectly; the winning number was generally made up of the last digit before the decimal point of the figures on the pay-offs to winners of the third, fifth, and seventh races. But when the federal government put the ponies out of commission, the policy boys had to look elsewhere.

• **The Mayor Steps In**—Because the transaction totals of the New York stock or curb exchanges looked likely, Mayor F. H. LaGuardia asked the exchange to halt issuance of exact figures. Last week the exchanges obliged, agreeing to round off all figures in terms of the nearest ten thousand.

On Wednesday of last week the New York Stock Exchange reported transactions totaling 1,499,470 shares, but on Thursday, first day the new rule took effect, the figure released was 1,530,000 shares. Since the million digit—if any—will almost always be a

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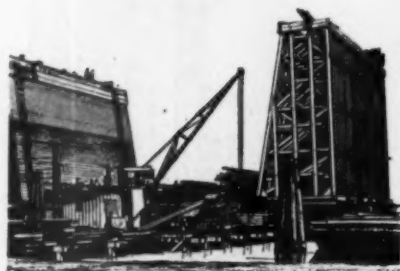
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DRY DOCK. Heavy timber items fabricated by Timber Structures, Inc. were used to erect pontoons of the Portland, Oregon floating dry dock.

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Timber Structures' field of service to the businessman, to the architect, to the engineer, is great.

Basically, our business is the fabrication of timber into structural form for various building uses. All types of industrial construction are served—from small business buildings, bridges and factories to huge army depots, aviation housing and marine structures.

For any industry Timber Structures' service in fabricated trusses includes design, assembly, shipment, erection (if desired). They are responsible for the construction speed, economy, strength, and permanence of roof trusses and other timber items supplied by our organization.

Inquiries on present or future construction in wood and allied structural materials are welcomed. Our experience and performance on varied building assignments is a matter of record. If you would like a pictorial booklet of jobs we have done, simply ask your nearest Timber Structures office.

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or a 2 and rarely a 3 or more, the figure's usefulness to policy operators is ruined.

• **Other Sources Available**—But the Cincinnati Clearing House still releases its figures for publication, and in New York its daily transaction total makes a regular appearance on the sport pages of the News and the Mirror. Thus, in Friday morning's paper last week—the first day that the rounded figures on stock exchange transactions were printed—the Cincinnati total was announced as \$17,703,931. The payoff figure was 703, for the policy banks always take the thousand digits—whatever the source of the figures.

If the clearing house were to withhold its figure, the policy banks could still turn to the Treasury, which daily releases a whole raft of usable figures, utterly beyond suspicion. And the Treasury has announced with befitting dignity that—numbers or no numbers—the daily publication of those statistics is essential.

So, regardless of the stock exchange's noble gesture, the policy boys aren't worried about their figures.

SEC Is Upheld

High court's ruling that common stockholders must share in utility assets will expedite holding company liquidation.

Plans for the liquidation of various utility holding companies, in conformity with Public Utility Holding Company Act requirements, are being expedited as a result of the Supreme Court's recent clear-cut ruling that common stockholders in such companies are entitled to at least a small share of the assets, even though liquidation proceeds are not enough to cover completely the claims of preferred stockholders.

• **Philosophy of SEC**—Liquidation of some companies has been held up ever since April, 1943, when the Securities & Exchange Commission first ruled that a company being dissolved to meet requirements of the holding company "death sentence" law cannot be considered in the same light as a corporation liquidated under ordinary bankruptcy procedure but must instead be regarded as a continuing firm.

On the basis of that distinction, SEC went on to rule that it would not be equitable in "death sentence" liquidations to give complete precedence to preferred stockholder claims, based on indenture provisions, over the rights of all junior issues, for if the company were to continue in business, the common stockholders might expect to share

in the company's earnings and assets.

• **Precedents Upset**—This was the SEC philosophy that got an unqualified O. K. from the high court in the United Light & Power case (BW—Feb. 3 '45, p. 8). Upsetting a long line of legal precedents that had established the principle of absolute priority for preferred claims in corporate reorganizations, the court, in a 5-to-3 vote, sustained SEC in its contention that indenture provisions are inoperative in liquidation or simplification proceedings brought under the holding company law.

The court did not, however, attempt to pass on the fairness of the allocation of assets between the preferred and common stockholders which SEC had ordered in the United Light & Power case.

• **Won't Go Around**—SEC had given common shareholders 5.48% of the company's assets, despite the fact that the assets probably will not be enough to pay preferred holders the \$100 a share that the indenture says they are entitled to get "in liquidation," plus the unpaid dividends that have been accruing since April, 1932, at the rate of \$6 a share annually.

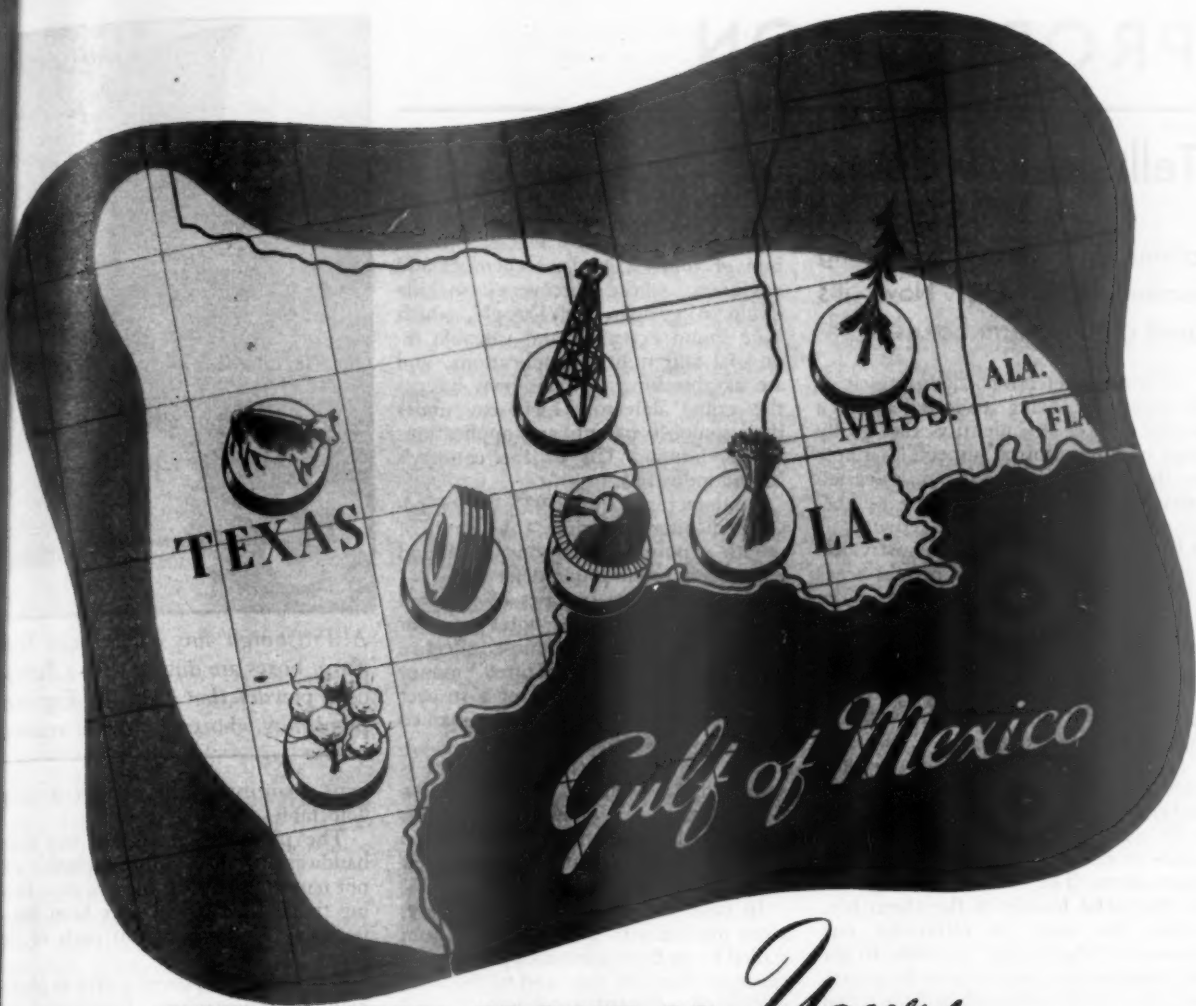
Lower court decisions in favor of SEC had pretty well prepared financial circles for the decision, and holding company officials themselves are not inclined to quarrel with the principle that the common stockholder deserves some distribution for his contribution to the enterprise. As a consequence of the high court's ruling, a good deal of lengthy argument about the comparative rights of various issues is likely to be avoided, although the question of the exact share in the assets which is to be given various stockholders is certain to be a continuing subject of dispute.

• **Ruling Expected**—One of the first big integration plans which is now likely to be unfrozen by the court's action is that of Commonwealth & Southern Corp. A ruling in this case is expected from the commission soon.

FINANCING PRIVATE PLANES

Lockheed Aircraft Corp.'s determination to make a big splash in the private plane business after the war was well established when the company took over the Pacific Finance Co. in 1943 with the announced intention of financing sales of personal aircraft (BW—Jun. 12 '43, p. 105).

That determination is accented by the action of the Lockheed subsidiary in purchasing outright the 13-story building in downtown Los Angeles which has been its home since the structure was completed in 1926 for \$1,355,000.



THE NEXT MOVE IS *Yours*

A vast chessboard of rich resources is the Gulf South. And when Victory comes, the next move will be yours! Hundred-octane gasoline, rubber, timber, cotton, sugar, salt, alumina, sulphur, rice, livestock—the list of resources is vast . . . and all are being used for Victory now.

But after the war is won, natural gas fuel, trained workmen and abundant raw materials of this Cradle of Victory will be at hand to greet new inventions, expanded peacetime industrial production and growing markets.

The Gulf South will again become the Land of Industrial Opportunity.



THE *Gulf South*

ITS RESOURCES, ITS MANPOWER,
ITS PRODUCTION ARE ALL
DEDICATED TO VICTORY

UNITED GAS PIPE LINE COMPANY: A Natural Gas transmission company dedicated to serve wartime fuel requirements throughout the Gulf South.
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PRODUCTION

Telltale Powder

Compound aids in pinning crimes on pilferers by leaving luminescent brand. Now it's used on fire alarm boxes.

When a detective daydreams it is doubtless of being endowed with a mystic power to identify the guilty man in a roomful of suspects as surely as the X-ray picks out an abscessed offender from a mouthful of well-behaved teeth.

• **Branding the Guilty**—Chemistry has given him that ability, in certain types of crime, through developments in the field of photoluminescence.

Last week the Pittsburgh Fire Dept. became the latest public agency to employ this method whereby the offender brands himself almost indelibly with the evidence of his guilt.

The city's fire alarm boxes are being protected against mischievous thrill-seekers by a system which impregnates, with an inconspicuous powder, the hands or clothing of anyone who turns in an alarm. The compound is sprayed on the metal handle of the alarm box. Under the range of ultraviolet rays known as "black light," invisible to the eye, this powder, even in minute quantities, glows with a greenish-brilliance that shouts "Guilty!" beyond the denial even of the offender himself.

• **A Conti-Glo Product**—The material is a complex organic compound, with the trade name of Invisible Green Powder, one of a line of Conti-Glo products

manufactured under license by the Conti-Glo Division of the Continental Lithograph Corp., Cleveland (BW-Jul. 2'38,p24). It is their formula S-195.

It was developed by Switzer Bros., a firm of young Cleveland chemists and engineers, whose discoveries include Zyglo, Magnaglo, and Day-glo, which have found extensive and valuable industrial and military applications, and are as absorbing in their own way as the crime detector. Licensees under their some 40 patents and applications include around 125 of the country's largest industries.

Manufactured since 1937, S-195, advertised almost entirely by word of mouth at police conventions, has found nationwide use in crime detection.

• **Marks the Bait**—In cases of repeated thefts (such as those by hotel maids or bank employees), the most effective means of detection is "planted" money or articles. But conviction of a suspect had depended upon finding the marked bait in his possession.

But if a small quantity of S-195 is sprinkled, for example, on the clothing in the dresser of a hotel guest who has complained of theft, the maid who touches it subsequently stains herself with the proof.

In cases of theft from a warehouse, a box marked with the powder has been trailed by its fluorescent droppings down the aisles to a side door and to the automobile of a trusted watchman.

• **Publicity Debated**—The chemical has been widely employed by government agencies. These have followed a policy of avoiding public acknowledgment of its use.

There are, however, two schools of thought on the issue of publicity. One holds that general knowledge of the chemical would prevent thefts through fear that the tempting valuables might be marked for tracing. The other contends that the surprise and astonishment of the suspect when he sees the telltale evidence flash from his hands and clothing in a dark room is an important element in obtaining a confession.

Because the latter policy yields such good results, the records are bare of prosecutions in which detection of the powder has been offered as evidence of guilt.

• **Glow Under Ultraviolet**—The powder is extremely fine, the particles having a diameter of 1 to 2 microns, equivalent to that of the smallest sizes in a box of face powder. Each of these particles emits a strong pinpoint of light under ultraviolet. Hence a tiny and inconspic-



A Pittsburgh fire chief shows how alarm boxes are dusted with a fluorescent powder that puts the finger on pranksters who call out the engines.

uous quantity of the powder is easily detectable.

The powder is harmless, but more handwashing than Lady Macbeth's will not remove it entirely for two days. During that period it will have been transferred to clothing and to parts of the body.

S-195 also has proved useful in photographing fingerprints. Fingerprint experts have a range of colored powders for dusting prints found on objects to obtain contrast with background before photographing. On a multicolored surface, S-195 is used because the oils deposited by the skin retain the powder in the pattern of the fingerprint and photograph clearly in darkness under "black light" regardless of background.

• **Demand Is Limited**—The product is no bonanza for its manufacturers, for a 2-oz. shaker boxful, big as a pound package of tooth powder and selling for \$7.50, will last the average police department for a year. Thus the annual output is measured in pounds, not tons. The formula is still secret. A patent application filed by Switzer Bros. in 1939 is still pending, debate and research having been precipitated by the fact that the application covers a range of some 300 new compounds.

These new compounds, distinguished by the brilliance of their radiation, differ from others developed for such purposes as printing tables of computations for bombardiers to read by "invisible" light.

The latter convert invisible ultra-



Under invisible ultraviolet rays, a hand that has recently touched S-195 emits an unearthly green glow.

violet into visible light at the red end of the spectrum, instead of S-195's green, because it has been found that the reds interfere least with the adaptation of the eye to the dim light of the night through which the bombardier must peer.

New Glass Fiber

Extremely fine diameter product holds potential threat for textile industry. Glass is used in many new ways.

Glass fiber in the extremely fine diameter range of 0.00002 in. to 0.0001 in. provides the latest example of aggressive development by Owens-Corning Fiberglas Corp. in the related fields of textiles and insulation.

So far, microscopic glass fiber has been turned out in laboratory quantities only, but the fact that it has been produced at all gives the textile industry something to think about.

• **Larger Sizes Proved**—Glass fiber in commercial grades, 0.00023 in. to 0.00038 in. diameter, is a well established product. Production has skyrocketed from 250,000 lb. in the year 1939 to a present level approximating 1,000,000 lb. a month.

Fireproof by nature, glass fiber is a popular drapery material for hotels, cafes, and public institutions. New, cobwebby filaments imply that glass fabric of extremely fine texture will be made, eventually. Owens-Corning spokesmen said recently that glass fabrics would compete "dollar for dollar" with satin, damask, and other drapery materials.

• **Not for Clothing**—Glass fiber is not expected to invade the apparel markets, however. The fabric seems to affect human skin like a handful of hair clippings down the neck, and the fact that glass is nonabsorbent is another barrier to its use in clothing. But there are plenty of nonapparel applications.

The textile industry has been craning its neck, collectively speaking, to learn how Owens-Corning will handle the marketing of glass fiber and fabric. The company replies to inquiries by asserting that it will market products of its own; that it will also offer yarn and fiber for development to others interested and will police these outside developments rigorously to avoid unsuitable applications that might react unfavorably on the Fiberglas reputation.

The impression of the industry is that Owens-Corning will exercise what the mills call vertical control over Fiberglas and Fiberglas fabrics, through

and including the manufacture of cloth.

• **Industrial Uses**—Owens-Corning has been working with Saco-Lowell Co., Boston, to develop processing machinery, but company officials say that this fact is not specially significant because staple fiber cloth (using short length fibers to give a linen-like finish) and yarns have been produced for years.

Not new, but increasingly useful in industry, are Fiberglas mats, coated and uncoated, some as thin as tissue paper, for use in storage batteries, wrapping underground pipe, making air filters, and packing in the distillation towers of petroleum refineries.

Fiberglas fabric seems unsuited to the making of tires, in that it tends to break from repeated flexing, although its resistance to heat and corrosion is a quality the tire makers want. It has been used in belting, in applications where heat and corrosion resistance is especially important.

• **Lubricant Is Needed**—In processing, Fiberglas usually is treated with starch, mineral oil, or other lubricant to minimize the tendency of glass fibers to injure each other by abrasion. Research is under way in an effort to find some lubricant with lasting effectiveness.

Dyeing has presented a peculiar problem; coloring is difficult and can't be changed after application. A satisfactory resin bonding technique, how-

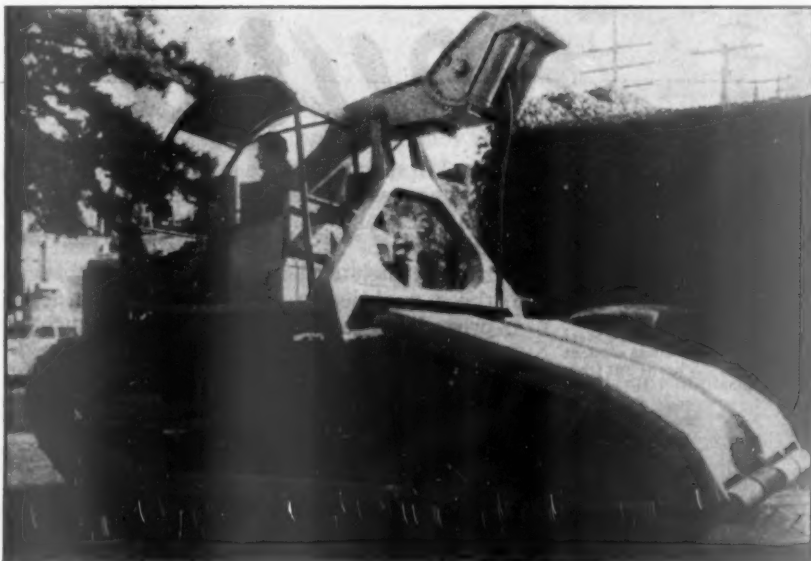
ever, has been developed by Interchemical Corp. (Aridye method), and Thortel Fireproof Fabrics, New York, is reported by Owens-Corning to have developed a wide variety of colorfast fabrics.

• **Insulating Material**—Glass makes the lightest of mineral wools, Owens-Corning claims, and being altogether inorganic, it provides nothing for vermin or moths to feed on, nor will it burn. A large part of the current production of glass fiber goes to the Navy for mineral wool insulation to replace kapok and other fibers and for electrical insulation.

Cotton and glass fiber compete in the building insulation field, but the competition is hardly direct because cotton insulation costs only about one-fifth as much as Fiberglas insulation. Fiberglas offers long life as a selling argument against cotton's lower first cost.

• **For Wire Wrapping**—Cotton has been moving rapidly into this field, from 55,000 lb. in 1940 to an estimated 60,000,000 lb. in 1944. Building insulation (BW—Jan. 1'44, p60) offers an important new outlet for short-staple cotton, which has been a drug on the market and a major part of the nation's cotton surplus (BW—Dec. 30'44, p32).

Where glass fiber threatens cotton most directly is in copper wire insulation. Although directly comparable fig-

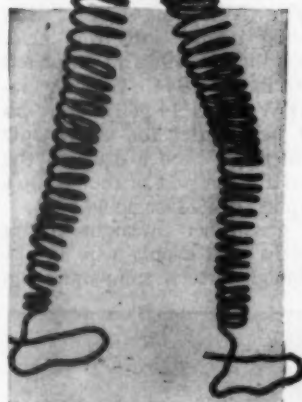


DESIGNED TO LIGHTEN LOGGERS' TASKS

Undergoing tests in West Coast forests is a new logging machine that combines the work of a tractor and towing arch—in one unit. The arch, formerly mounted on a separate trailer, is built into a stubby boom behind the driver of the 46,600-lb. machine—dubbed the "tomcat." Thus eliminated are 2½ tons of weight and the necessity of maneuvering the trailer over rough terrain in dragging big logs to the sawmills. Designed and built in government shops at Portland, Ore., the tomcat is an experimental unit, not yet in production.



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ures are not available, prewar use of cotton to insulate wire and cable was about 100,000,000 lb. a year, according to the Cotton Textile Institute. An idea of current consumption is seen in the estimate that the electrical industry—although not necessarily insulated wire production—is operating at 700% above the prewar level.

Nearly 1,700,000 lb. of Fiberglas yarn were used for wire insulation in 1943, and last year's total probably was much greater. Fiberglas 1943 figures also included 904,313 yd. of tape for coil winding, etc.; 2,064,258 yd. for varnished cloth, Fiberglas-mica, laminated, and adhesive tape; 4,462,500 lb. of Fiberglas sleeving for light insulation. • **Goal Set at 35%**—Owens-Corning officials said recently that Fiberglas insulation was being used in 15% of all electrical equipment, and they hoped to boost this proportion to 35%. They are not shooting for 100%, because in low-cost electrical equipment the added cost of Fiberglas would be "uneconomic."

Effectiveness of Fiberglas insulation improves when it is combined with varnish, and the most efficient varnish, for use in electrical insulation, has been made with some of the new silicone resins (BW-Dec.9'44,p70). Owens-Corning states that the silicone resin varnishes, unlike most other resins, "more nearly match the temperature resistance of the Fiberglas textiles," holding up under temperatures of 392 F. Several wire companies are supplying Fiberglas insulated magnet wire with silicone varnish impregnation. Combinations of silicone bonding agent with Fiberglas and mica also are available.

• **Strengthened by Varnish**—Wearing quality of glass fiber likewise improves with varnish treatment. Untreated cotton outlasts untreated glass fiber about 20 to 1, according to Owens-Corning, but treated glass fiber will outwear treated cotton about two to one.

No testing machinery has yet been devised to measure accurately the strength of the new, microscopically fine glass fibers. In theory, their tensile strength is placed in the range of 1,000,000 lb. to 3,000,000 lb. per sq.in. Practically, effective strength is much lower, because these fine filaments can be broken by abrasion in contact with each other, or twisting, and because the invisible film of moisture present on all surfaces, under ordinary conditions, will corrode glass fiber.

• **Plastics Employed**—To use glass fiber strength to best advantage, the individual fibers must be protected from the air, and separated from each other to avoid abrasion. Plastic lamination is one answer. A network of glass fiber enclosed in a sheet of plastic offers

1
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into an hour**



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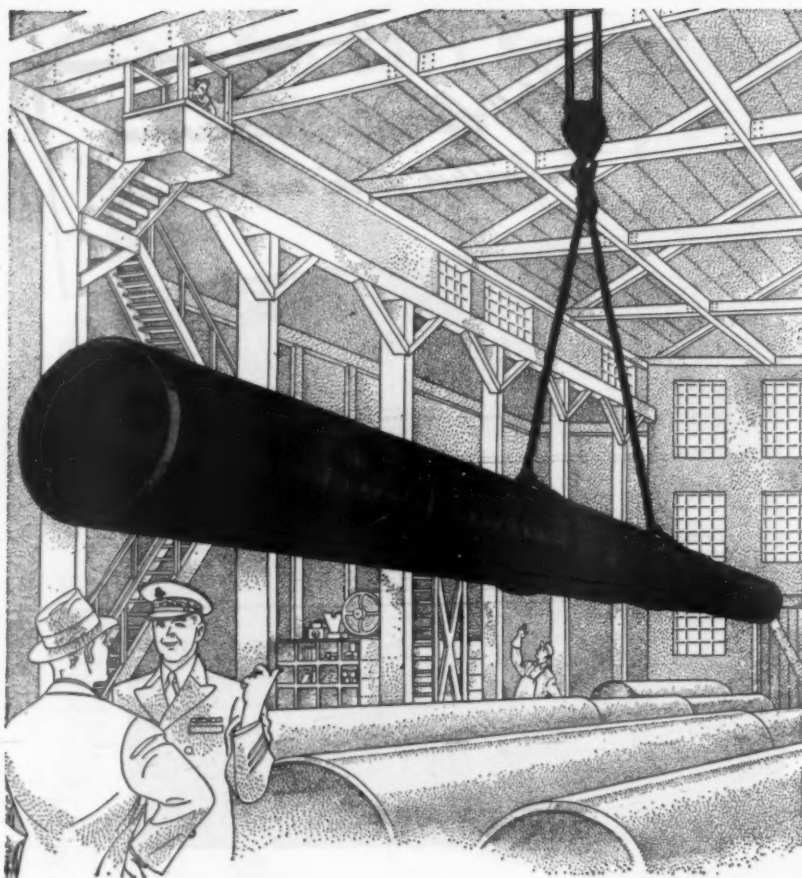
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the design engineer a material with impact and tensile strength approaching that of the metals, with less weight.

Glass fiber, naturally, has no corner on the lamination field, but it has proved stronger than most other materials used in combination with plastic. Paper, for example, is cheaper, and therefore has a competitive edge for low-cost products. Cotton fabric is another competitor; plastic-metal laminations are expected to figure in postwar designing.

• **Combined With Steel**—A prediction from steel industry sources that "plastics will help to sell more steel products than they will replace," quoted last week by Walter S. Tower, president of the American Iron & Steel Institute, indicates the steel industry is at least alive to the possibilities of plastic-metal laminations.

Some progress has been made in the technique of combining glass fiber and plastic, but engineers who have been active in this development acknowledge that they have a long way to go before glass fiber-plastic laminates can be useful in mass production. Low-pressure molding techniques, now hardly out of the laboratory stage, offer the design engineer a way to make a smooth, streamlined, one-piece product in one mold, to eliminate patching, tacking, riveting, or welding that is frequently necessary in metal fabrication.

• **Many New Uses**—To begin with, laminates probably will be used to make rowboats, canoes, office furniture, luggage, and gadgets. When cost comes down, other possibilities will be aircraft body parts—they have been made successfully on an experimental scale—and auto body sections. A one-piece auto body of plastic laminate, engineers point out, should be quieter, and more nearly soundproof, than the all-steel body.

DIESEL FUEL ALTERNATED

A diesel engine development making possible the alternate use of a wide variety of fuels, without any auxiliary sparking device, is being announced this month by Cooper-Bessemer Co. of Mount Vernon, Ohio.

Details on the departure from conventional diesel design are withheld, but the resultant engine is said to run on fuel oil, natural gas, manufactured or coke-oven gas, sewage gas, or refinery byproducts, with almost equal ease. Engines that embody the new principle are in production.

Ralph O. Boyer, chief engineer of the company, claims that the development permits a fuel saving, in diesel-gas engines, of 20% to 25%; that thermal efficiency is the same regardless of the fuel used, and that its wide adoption

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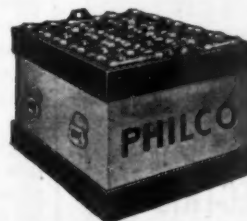
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would prevent temporary gas shortages from curtailing production.

The manufacturer expects the new fuel alternator to be most useful in areas where gas is the normal fuel, and where fuel oil could be used for standby. Conversion from one fuel to another would be a matter of closing one valve and opening another, even while the engine is running at full load.

2-4D for Weeds

Lawn and fairway pests commit mass suicide if dosed freely with compound which is harmless to bluegrass.

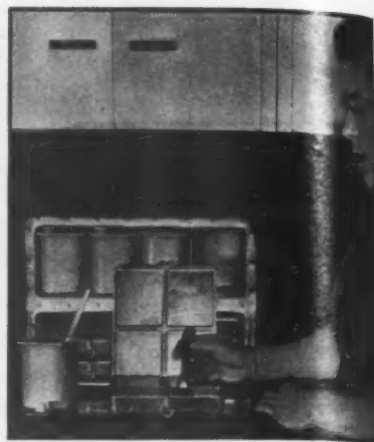
Neither dandelion, bindweed, plantain, nor mallow will infest lawns and fairways of the postwar future. This condition, approaching the millennium, is promised by a comparatively new chemical that is burdened with the polysyllabic name of 2-4 dichlorophenoxyacetic acid, but mercifully called "2-4D" for short.

• **Too Rich for Them**—Stimulated by an overdose of the compound, which is harmless to bluegrass, the weeds commit suicide by growing so fast that their root systems enlarge, split, and disintegrate. Bindweed, a notorious western pest (BW—Mar. 11'39, p42), which is normally a short-rooted plant, sends roots down to a depth of more than a foot under the urge of 2-4D and then expires completely to enrich the surrounding soil.

Credit for the amazing discovery goes to an unnamed researcher at the New York State Agricultural Experiment Station, Geneva, N. Y. He reasoned that if a mild application of the chemical would cause the quick and sturdy development of roots on tomato sets and fruit cuttings, an overdose might play hob with weeds—an inspiration whose validity has already been confirmed by concurrent experimentation by the U. S. Dept. of Agriculture at its Beltsville (Md.) experiment station.

• **Formulated in Yonkers**—Credit for the original discovery of the chemical itself goes to the Boyce Thompson Institute for Plant Research, Yonkers, N. Y., whose staff formulated it as only one of the growth stimulators and plant hormones the laboratory has pioneered (BW—Mar. 15'41, p26).

Dow Chemical Co., Midland, Mich., is producing 2-4D in carload lots for normal agricultural uses and possibly one or more restricted wartime purposes. Eastman Kodak Co., Rochester, N. Y., Merck & Co., Rahway, N. J., and other manufacturing chemists are likewise in



FOR FOOD ALOFT

From a 24-volt electric stove that's hardly bigger than a portable radio come the hot meals which sustain Superfortress bomber crews during long flights over the Pacific. Two such units aboard each B-29 contain twelve trays of precooked meat and vegetables, coffee, condiments, and plastic eating implements. Developed by the Army, and Tappan Stove Co., the miniature "range" may find a postwar job on domestic airliners.

production. American Chemical Paint Co., Ambler, Pa., is producing the compound in small packages for the retail trade under the name of Weedone.

EATING THE SMOKE

Spectacularly successful with a steam-air jet in a recent demonstration at Birmingham, the Louisville & Nashville R.R. now plans immediate installation of the "smoke-eater" (BW—Oct. 28'44, p19) on 104 yard engines at major points on the line.

The demonstration, witnessed by city officials and railroad men, caused Birmingham's commissioner of public improvement to urge public support for the smoke elimination program. Several other railroads serving the city have started installing similar jets.

L. & N. fuel conservation engineers say that the steam-air jet principle is applicable to any steam plant; that, with a little mechanical ingenuity, it can be rigged up with a few feet of assorted pipe. The jet equipment is tied in with the engine boiler and blower system. Use of steam-air jets is said to increase engine efficiency.

Laundries, apartment houses, hospitals, hotels, and industries are watching the experiments with interest.



PUTTING ON THE SQUEEZE ?

HIGH production costs are a major problem of industrial management today — how can they be brought down to make possible the lower prices that are the mainspring of peak levels of business volume and employment?

Cutting out waste in methods — materials — time — is important and basic, of course, but the roots of the problem go deeper than that, as every thinking businessman knows. The major part of the answer is in production itself — that combination of time, manpower and machines which determines how much is accomplished in the given unit of time called a man-hour.

Whatever is produced — converted, machined, processed, assembled, completed — in that brief span of time is the starting point of costs, prices, earnings, employment. It has long been established that as output per man-hour rises, industry is able to produce more and better goods at lower prices — provide work and wages for greater numbers. This fundamental fact provides the practical approach to prosperity — for the wage-earner, the company which employs him, the whole of America in which we live.

Industrial men should never lose sight of this fundamental principle and the key role of machine tools in arriving at a solution of their own problem. The facts presented here as "Industrial Par—Its Significance To Every Industrial Executive" should have the attention of every man charged with the responsibility of cutting production costs.



★ Industrial records prove that output per man-hour increases at the rate of approximately 50% every ten years. This National Industrial Par is the foundation of American industrial leadership and high living standards.

★ Elimination of waste—plus improved production techniques — plus the most modern machine tools are the controlling forces that increase output per man-hour and cut production costs.

★ Ability to cut costs—not the cost of the tools themselves—are the deciding factors in determining machine tool needs. At least 10% of the total machine tool investment should be set aside yearly for machine tool replacement to enable your company to cut production costs — attain or excel Industrial Par.

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NEW PRODUCTS

Hard Mortar and Pestle

Boron carbide, the man-made material that is excelled in hardness only by natural diamonds (BW—Dec. 24, p. 52), provides the liner and working surfaces respectively of the new Laboratory Mortar and Pestle developed by the New England Carbide Tool Co., 10 Brookline St., Cambridge 39, Mass. Body of the mortar is steel, as is the



handle of the pestle. Both liner and tip are polished to a mirror finish.

Surfaces are said to be so smooth that "pit marks or surface irregularities are eliminated, and both the mortar and the pestle can be made sterile clean after use." Since the carbide does not build up or hold electrostatic charges, "will not pick up lint, dust, or metal particles which might contaminate materials being ground. . . . These mortar and pestles have been used in large scientific laboratories for over six months with absolutely no signs of wear or contamination in any experiments."

Synthetic Rubber Hardener

A new Durez Thermosetting Phenolic Resin is being formulated by Durez Plastics & Chemicals, Inc., North Tonawanda, N. Y., for the special purpose of rendering synthetic rubber semihard or hard as vulcanite made from natural rubber. When it is added to the synthetic during milling, the resin is said to have the paradoxical but desirable characteristic of softening the stock, making it more easily workable and facilitating the addition of sufficient "loading," such as carbon black, to produce hardness in the finished product.

Since the resin "also reinforces the rubber in much the same manner as carbon black," the amount of reinforcing agents usually required to give a definite hardness "can either be entirely eliminated or reduced proportionally."



"This is what a Fox-hole isn't"

He's heading home in Pullman comfort—and it's largely thanks to *you*. Thanks to your observance of these 5 simple wartime travel rules:



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2. **CANCEL PROMPTLY** if your plans change.



3. **TAKE SINGLE SPACE** when traveling alone.



4. **TRAVEL LIGHT—check** extra luggage.



5. **DON'T TRAVEL unless** it's essential.

Why do you help boys like the one above when you observe these wartime travel rules?

Because Pullman travel is the heaviest in history, with half the Pullman sleeping cars still as-

signed to moving troops. And any *wasted* Pullman bed may mean a *disappointed* traveler.

Perhaps some boy who knows what a fox-hole *is!*

★ **KEEP ON BUYING WAR BONDS—KEEP ON KEEPING THEM!** ★

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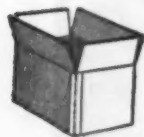
GENERAL Engineered Shipping Containers are designed to the product. Frequently the product and the container come off the production line together—as a unit.

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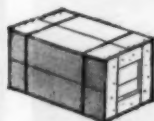
You, too, are mighty PROUD of your PRODUCTS—proud (and rightfully so) of the research, engineering and design which make them better and more useful. So give them the best in product protection—give them GENERAL Engineered Shipping Containers.

Like a doctor's prescription, GENERAL Containers also meet a specific need . . . they're designed by our engineers to provide support, reinforcement and positive product protection—with a minimum of packing materials. They're actually "A Part of the Product." Thus you save packing materials, reduce handling and shipping costs, and speed production.

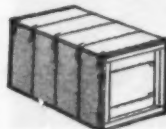
While our containers are today shipping vital materials to the fighting fronts, our engineers will be glad to help you with your postwar packing problems. Write today. Get acquainted with GENERAL'S "Part of the Product" Plan. Learn what this plan can do for the profit side of your business.



General Corrugated Box



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Send for your copy of "The General Box." It illustrates our "Part of the Product" Plan.

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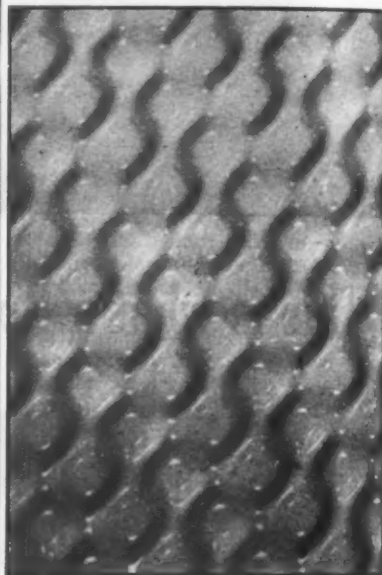
GENERAL OFFICES: 502 N. Dearborn St., Chicago, Ill.
DISTRICT OFFICES AND PLANTS: Brooklyn, Cincinnati, Detroit, East St. Louis, Kansas City, Louisville, Milwaukee, New Orleans, Sheboygan, Winchendon.
Continental Box Company, Inc., Houston, Dallas.

tionately." Hard synthetic rubber stocks so made "machine readily, and it is only natural that oil and heat resistance would be improved. . . . Since the resin is also inherently unaffected by oxygen, it is only logical to assume that it will serve as an antioxidantizing agent." Use of the resin has been thus far confined to Buna S and Buna N, but it is also compatible with Neoprene and natural rubber.

"Rigidized Metal"

New designs of Rigidized Metal are being developed by the Rigid-Tex Corp., Buffalo 3, N. Y., for porcelain-enameled store fronts, permanent display signs, and other more or less architectural applications. Rigidizing, which is accomplished by a patented method of cold rolling, is said to give steel enameling sheets "extra strength and patterned surface effects," producing "marked changes in the mechanical, textural, and utility values."

The accompanying design has been selected by the manufacturer as one



which not only circumvents "waves" in the "flatness of panels for architectural use," but minimizes the need for panel backing. Such a design promises not to interfere with the "normal fabrication methods used for the materials involved."

Heating Element Mender

When an electric heating coil in a toaster, broiler, hair dryer, or other appliance breaks by reason of age or accident, it can be made to weld itself together with Chanite Electrical Heating Element Flux. The product of the

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Chanite Sales Co., 914 S. Main St., Fort Worth 3, Tex., which has been on the market for several months, is coming out in a new form "on a stick," looking very much like an oversize kitchen match with a large, coated head. Instructions are easy to follow: "(1) Overlap burnt-out element and fasten; (2) dip coated end of stick in water and apply to element where it has been fastened . . . then hold stick on broken part; (3) plug appliance into the socket and the current will mend the burnt-out wire or element."

THINGS TO COME

Snow will melt on airport runways of the future before it has a chance to pile up, cancel flights, and raise hob generally. Wrought iron piping, which will have been laid beneath runway surfaces about a yard apart, will carry hot water to raise ground temperatures about 10 deg. above freezing before and during every winter storm.

Underlying the prediction is favorable experience with similarly heated driveways and crosswalks within the grounds of a Buffalo (N. Y.) industrial plant during a recent 134-in. fall of snow. The crystals melted as they fell, and the resultant water dried rapidly under the warm air cushion lying just above the pavement.


• Connection cords for postwar table lamps will be completely detachable after the manner of those used on many electric business machines and most table toasters. Dealer displays will be uncluttered by coiled-up or kinked-up cords now firmly attached to merchandise. Lamp users will replace cords when necessary as easily as light bulbs—without hunting up an electrician for a rewiring job.

• Occasional radial cracks in the otherwise smooth lips of glass food containers—which are usually too small for the human eye to see yet too large for the tight seal required to prevent food spoilage—will soon cease being the bane of the food plant inspector. That part of his assignment will be taken over by a special new electronic device whose photoelectric eye will spot such a crack without a miss at the same time withdrawing the offending container from the production line.

Your
POSTWAR PRODUCT...

**Is it Designed
to Meet Competition?**

**THIS BOOK
MAY TELL
YOU HOW!**



These are the **COMPETITIVE FACTORS...**

- SIMPLICITY
- ECONOMY
- RELIABILITY
- STREAMLINED APPEARANCE

These STOW Flexible
Shaft Applications In-
crease Customer Appeal
of Many Products . . .

ELIMINATE mitre
gears.
ELIMINATE universal
joints.
ELIMINATE spur
gears.

CONNECT related motions.
GET AROUND obstacles.



Hundreds of manufacturers have written us asking how they can employ STOW FLEXIBLE SHAFTING in their postwar products to achieve lower cost, lighter weight, more compactness for streamlined appearance, and less service trouble. For them—and for YOU—we've prepared a book that tells the whole basic story of FLEXIBLE SHAFTING. You'll want to read it—you'll want your engineers to read it—and we'll be glad to send along a copy for yourself plus one for your design department. The basic problems of MODERN DESIGN that can be eliminated by using STOW Flexible Shafting are illustrated opposite.

**SEND FOR YOUR COPY OF THIS
Design-Revolutionizing BOOK NOW!**



GENTLEMEN:

Please send two copies of your book, "The How and Why of Flexible Shafting."

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Title.....

Company.....

Address.....

State.....



THE FLOODLIGHT POLE

...that used to be a Bridge Pile!

HERE'S an example of ingenuity in steel fabrication that may prove profitable to you when you reconvert to peacetime production.

It's a low-cost, tapered tubular steel floodlighting pole that will be available to manufacturers, railroads, shipbuilders, schools and municipalities as soon as war ends.

Based on a design principle used in the construction of better foundation piles, these Union Metal floodlighting poles have the advantage of all-welded con-

struction combined with light weight. They're easier to install and maintain, look better, last longer.

Of course, you may never need a tapered, tubular floodlighting pole — but, after the war, you may be able to use *with profit* the engineering and designing skills which created and produce them. Perhaps, then, your products, too, can be made better, faster, cheaper.

Your inquiries are invited by The Union Metal Manufacturing Company, Canton 5, Ohio.



Also producers of street lighting standards, materials handling equipment, ship cargo booms, etc.—or special products to your order.

UNION METAL
Craftsmen in Steel Fabrication

WAR BUSINESS CHECKLIST

A digest of new federal regulations affecting priorities, price control, and transportation

Increased Civilian Supply

To channel most of the cotton available for civilian use into low-end and medium-priced garments, WPB has amended Order M-385, effective Mar. 1, to increase from 20 to 28 the list of carded cotton fabrics that are set aside for civilian clothing items and to reserve for such use from 50% to 90% of the available fabrics instead of from 20% to 50%, as formerly. Manufacturers of medium- and popular-priced cotton apparel may obtain priority assistance for a revised list of civilian items. Ratings will be granted for specified types of dresses, blouses, nightgowns, men's shirts, creepers, rompers, and other types of wear for men, women, and children. Further channeling is effected by restrictions on the use of specific fabrics in certain items and by the addition of certain constructions for use in the most essential clothes.

Decreased Civilian Supply

To make more malted grain available for production of industrial alcohol for synthetic rubber and other war uses, War Food Administration has reduced the quotas of malt available to the U. S. brewing industry during the period from Mar. 1 to Aug. 31, 1945. Brewers' quotas will be reduced 12% except that brewers who used less than 8,000 bu. of malt in the year ended Mar. 1, 1943, may use up to 4,200 bu. of malt during the six months ending Aug. 31 (War Food Order 66, as amended.)

• **Fiber Shipping Containers**—WPB has ordered a 5% cut in the use of new fiber shipping containers for nonmilitary purposes. Packers are allowed each quarter only 95% of the total containerboard (by both weight and area) in containers used to package nonmilitary goods in the corresponding quarter of 1944. Shipping containers used for military purposes in 1944 must be excluded from the base upon which the packing quotas are computed, but containers to be used for military purposes in 1945 are not chargeable to the packer's quota. (Order L-317, as amended.)

• **Paper Bags**—The wood pulp shortage (BW—Jan. 27 '45, p. 22) has led WPB to cut the amount of pulp authorized for the manufacture of kraft grocery and variety bag paper 10% below the original authorization of 79,432 tons for the first quarter.

• **Motion Picture Film**—New WPB quarterly quotas for the use of 35-millimeter motion picture film by the major producers and distributors (including independent producers) of entertainment pictures are expected to total 255,997,440 linear feet, and

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quarterly quotas for newsreel producers and distributors, 51,714,778 linear feet (BW Feb. 10'45, p81). These figures represent a drop from quotas for the fourth quarter of 1944 amounting to 16,000,000 ft. for major producers and distributors and to 834,000 ft. for newsreel producers and distributors.

Canned Meat—Meat packers operating under federal inspection in all states except California, Oregon, and Washington are required to set aside for government purchase 70% of their utility grade beef instead of 50%, hitherto required. (Amendment 19, WFO 75.2.)

Canned Poultry—Acting to supply military demands for 70,000,000 lb. of canned poultry in 1945, WFA has announced a 50% set-aside order for canned chicken and turkey, beginning Feb. 14. (WFO 125.)

Potatoes—WFA's program, already operating in Idaho, Oregon, California, and Washington (BW—Feb. 10'45, p32), to assure the availability of a supply of good-quality potatoes, has been extended to Colorado and the Red River Valley section of North Dakota and Minnesota. To obtain a permit for shipping a lot of potatoes, shippers must offer them to a government agency at a price not greater than their ceilings.

Relaxed Restrictions

To help make up for production lag in many items of farm machinery, plants that are not running at full capacity may apply to WPB for permission to make more than their approved quotas of the items, provided that the labor is available. Applications should be filed with WPB field offices. All plants will get first consideration, WPB said. (Direction 6, Order L-257.)

Isle—Restrictions on the processing and marketing of istle and istle products and on the use of damaged istle have been removed by an amendment to WPB Order M-138. The inventory reporting provisions of the order have been retained.

Tightened Restrictions

Under a new WPB direction, no producer may use lead as a protective sheath for copper insulated wire or cable unless the wire is one of the following types: fire alarm and traffic control; telephone and telegraph; railway signal; shipboard cable; and cable rated more than 2,000 volts. Beginning March, 1945, a manufacturer may use in such cable not more than 9% of the lead he used during the year 1944 in the production. Beginning Apr. 1, he may use in each quarter 25% of the lead he used in 1944. (Direction 63, Controlled Materials Regulation 1.)

While the amount of lead allowed in storage batteries for civilian use in the first quarter of 1945 has been increased from 1% of the 1944 base period to 75%, manufacturers and distributors of specified essential products containing lead are prohibited from making further sales of these products after Feb. 28. The forbidden items include buttons, badges, emblems except those sold to the Army, Navy, War Relocation Administration, U. S. Maritime Commission, and Veterans Administration;



Getting into the thick of it

How thick is a thin sheet of paper? That's the question this instrument answers with microscopic precision—to the ten-thousandth of an inch. It's one of the 18 laboratory tests that insure *uniformity*—the same dependable performance—in the Hammermill Bond you use.

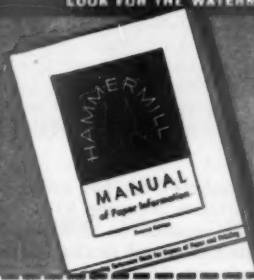


"Put it on Hammermill... that last job you printed up for us was just right—so use the same paper for this one—Hammermill Bond. Then we'll know we'll get just what we order. That makes your job a lot easier, and mine too."



Look for the watermark... If it's "Hammermill Bond," it means *uniformity*—in thickness, in strength, in every quality essential to good business paper. It's made that way in the mill, tested and proved in the laboratory.

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Name _____ Position _____
(Please write on, or attach to, your company letterhead)

EW 8-17

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equipment wanted

• **WANTED: USED** inter-communication system; state price full particulars Bevan, 800 N. Clark St., Chicago.

manager available—large plant

• **WORKS OR** General Manager—college graduate. 38 years of age. Past experience covers management of 4000 employees. Electronic industry. All phases of operation; successful past performance can be proven. Box 434.

electrical, mechanical product sales

• **SALES EXECUTIVE** and engineer. 25 years experience in sales and manufacturing of electrical and mechanical products. Capable organizer and executive. Has successfully sold personally (and in charge of an organization) to industries, railroads, utilities, government agencies, distributors, jobbers, dealers. Knows management production, sales. University graduate. Compensation based on earnings. Reply Box 435.

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Investigate Rectigraph, the modern machine for BUSINESS PHOTOGRAPHY. Exact, error-proof photocopies of letters, plans, contracts, payrolls, layouts, photos, etc. made speedily and economically—in any quantity. Saves time and manpower. Rectigraph requires no darkroom. Easy to install. Simple to operate.

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costume jewelry, novelties; games and toys; statuary and art goods (except church goods). (Order M-38, as amended.)

• **Woolen Fabrics**—To meet greatly increased and urgent requirements for 73,000,000 yards of rated woolen fabrics for essential civilian use and for the United Nations Relief & Rehabilitation Administration, all woolen mills and manufacturers operating woolen spindles have been directed to produce a proportionate share of the required amount. Mills operating with four or fewer sets of woolen cards are not included in the directive. The material will be used to make such items as Army overcoats, Navy uniforms, blankets and sleeping bag linings; also mackinaws and children's snow suits.

• **Phthalic Alkyd Resins**—Beginning with March allocations, use of these resins will be restricted to interior can and interior closure coatings for food, medicinal, and chemical purposes. Formerly, allocations were made for the exterior of closure coatings.

• **Brownout**—WPB has prohibited advertising, promotional, decorative, ornamental, and sign lighting in arcades, transportation terminals, subways, lobbies, and similar public passageways by issuing Amendment 1, Utilities Order U-9.

• **Gum Rosin, Wood Rosin, Nitrocellulose Plastics**—These have been placed under the controls of WPB Order M-340.

• **Great Lakes Coal Shipments**—The Solid Fuels Administration for War has prohibited lake shipments of eastern-mined bituminous coals during the 1945 navigation season if the coals are to be used as railroad locomotive fuel. Steps are being taken to determine which industrial consumers supplied by lake can convert to the use of midwestern-mined coals.

• **Print Paper**—Printing paper suppliers, printers, binders, distributors, wholesalers, and dealers have been brought under controls of Orders L-244 and L-245. It will be a violation for any supplier to sell paper to a publisher, or for any printer or binder to print or bind for a publisher if such action will cause the publisher to exceed his paper quota.

Price Control Changes

Independent manufacturers may sell cotton tire cord and cotton tire cord fabric to rubber tire manufacturers under an adjustable pricing method which permits the manufacturers to add to present prices any increase that may result from a pending OPA study of the price situation. Cord or fabric for use in tires bought by war procurement agencies is not covered by this action. (Order 48 under Section 1499.19a of General Max.)

• **Hardwood Lumber**—OPA has authorized general price increases averaging \$3 a thousand feet board measure on mill sales of hardwood lumber produced in the southern region. (Amendment 16, Revised Regulation 97.)

• **Glycerin Base Antifreeze**—Ceiling prices for all retail sales of this antifreeze have

been announced by OPA. For products containing at least 95% glycerin by volume (including C. P. glycerin), the ceiling is \$2.65 a gal. or 67¢ a qt. For products containing less glycerin, prices will be adjusted to reflect the percentage of glycerin. (Amendment 9, Regulation 170.)

• **Shoe Repair Services**—Regional OPA offices have been authorized to set dollar-and-cents ceiling prices for retail shoe repair services in any area under their jurisdiction. Shops affected must display such prices prominently; they must also give sales slips when a customer requests them, and even when he does not request them, if premium leather has been used. (Supplementary Service Regulation 47 to Revised Regulation 165.)

• **Primary Chromium Chemicals**—The first change in the prices of these chemicals since July, 1941, has been effected by an OPA regulation that increases prices by amounts ranging from 25¢ to 75¢ per 100 lb. The increases will be absorbed by industrial users of the chemicals. (Regulation 575.)

• **Rubber Bands**—Dollar-and-cents ceiling prices have been established for Buna-S synthetic rubber bands, generally at the levels prevailing during the first quarter of 1942. (Amendment 18, Regulation 220.)

• **Tennessee Phosphate Rock**—OPA has raised the price of this rock, essential in making fertilizer and chemicals used in food and munitions, 10¢ a ton at the mine level. This increase will be absorbed by manufacturers of fertilizers and chemicals or by distributors who buy from the mining companies. (Amendment 1, Revised Regulation 240.)

• **Coal and Coke**—Retail coal and coke dealers who are restricted to one-ton deliveries by SFA may charge 25¢ a ton above their existing ceiling prices for two-ton quantities. Dealers who already have differentials of 25¢ or more for one-ton deliveries may continue to use them but may not add an additional 25¢. (Amendment 29, Revised Regulation 122.) Coal producers in the big southern Appalachian mining area who are working one or two Sundays in February may temporarily increase their ceiling prices of bituminous coal from 5¢ to 15¢ a ton to help pay for extra costs of Sunday operation of their mines. (Amendment 129, Regulation 120; Amendment 28, Revised Regulation 122.)

• **Firewood**—All firewood sold by farmers after Feb. 12 is subject to price ceilings under General Max. (Amendment 90, Revised Supplementary Regulation 1, General Max.)

• **Surplus Goods**—The following surplus items that have been turned over by the Army for civilian use have been given ceiling prices by OPA: men's new corduroy bath robes (Order 27, Supplementary Order 94); butcher aprons (Order 26, Supplementary Order 94); surgeons' new rubber gloves (Order 25, Supplementary Order 94); men's new winter-weight flannelette pajamas, in small sizes (Order 24, Supplementary Order 94).

MARKETING

U.M.W. vs. OPA

Miners' attack on price agency's classification of coal company stores is major issue in coming wage battle.

Prices charged by company stores will be a major issue in the forthcoming negotiations for a new coal wage contract (page 98) just as they were during the coal wage controversy two years ago.

• **Made Good Fuel**—At that time, John L. Lewis accused company stores of violating price ceilings. Lewis cited company-store prices and the quality of company-store merchandise as evidence of the miners' need for higher wages. Investigations by OPA and by a special committee appointed by Solid Fuels Administrator Harold L. Ickes gave the stores a relatively clean record (BW—Sep. 4 '43, p. 76), but Lewis obviously

has not forgotten that an attack on the company stores makes good fuel for a wage dispute.

The front page of the Feb. 1 issue of the United Mine Workers Journal carries the headline, "OPA grants gyp in company-store prices." The Journal blasts OPA for its reclassification of 42 coal company stores from Group 3 to Group 1, thus automatically entitling them to increase their food prices to the highest level under the present ceilings.

• **Four Classifications**—OPA food price regulations (Maximum Price Regulation 422 and MPR 423) classify all food stores in one of four groups on the basis of ownership and volume. Thus most chain store supermarkets fall in Group 4—the biggest volume—and must limit themselves to the smallest markup. Smaller chain store outlets go in Group 3, are permitted a slightly higher markup. Group 1 is reserved for the smallest (annual volume less than \$50,000) independents who are allowed by OPA to charge their traditionally higher markups.



SMOKING OUT SALES

Daily cigarette queues in New York's Gimbel Bros. department store (above) mark the latest round of sniping that has traditionally marked relations between Gimbel's and its neighboring rival, R. H. Macy & Co. The come-on for the long lines of smokers was the 14x6-in. newspaper ad (right) which Gimbel's inserted only a

few days after Macy's started a ration plan to protect established customers at the cigarette counter (BW—Feb. 3 '45, p. 31). Thus far, Macy's has been doling out to each eligible buyer one carton of cigarettes every two weeks, a ration that would require 20 trips through Gimbel's lines under its one-package-to-a-customer quota. This cigarette warfare is only a reflection of the Gimbel-Macy all-out battle for the top national sales spot.

Adjustment provisions provide an out for the retailer who doesn't fit the store classification pattern. Thus a store can be reclassified from Group 3 to Group 1 if it meets these general criteria: (1) If it provides certain services—credit, deliveries, phone orders, order-clerks; (2) if it actually operated on a Group 1 gross margin—25%—in 1941; (3) if it can show that the inability to continue to operate on this margin will result in "substantial financial hardship"—which is generally interpreted by OPA field offices as meaning that its profit will be reduced below the levels that it maintained during 1941.

• **Appeals Finally Win**—As large-volume chain store operations, 33 Koppers Coal stores and nine stores of the Island Creek Coal Co. were originally classified as Group 3. Pleading their traditionally high-cost operation—a cost that results from the fact that they are almost 100% credit—the stores appealed for reclassification.

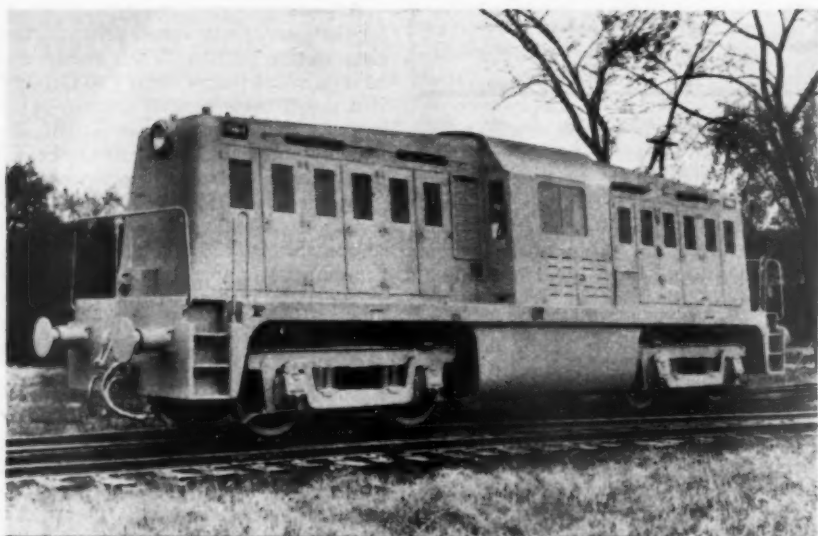


If you love us as we love you
Rationing won't cut our love in two.
Come on in—Tom, Dick, Harry, Pete.
We recognize no chaff, no wheat.
No sheep, no goats—no list high hats
The whole wide world's persona grata

**at hospitable old Gimbels
where cigarettes will
be sold to anyone
without ration cards**

Hospitable old Gimbels has no preferred customer list. Everybody that sets foot in our store is a regular guy and a regular customer. Gimbels is square and over the counter to any Tom, Dick, or Harry (one package to a customer).

THE CIGARETTE LINE FORMS ON THE SIXTH FLOOR AT 9:30 TODAY (WED.)



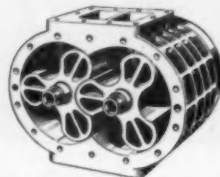
Up to the Western Front under Diesel Power . . . **B-W Supercharged**

THE speed with which our armies can knock down Germany's "West Wall" depends on the ability of the Transportation Corps to keep a huge volume of supplies moving up from French ports to the fighting front. Hauling heavy supply trains along rehabilitated French railroads are many American locomotives, like the above Whitcomb Diesel-Electric, powered with a pair of Buda-Lanova engines.

To secure a net gain of 25% to 40% in drawbar pulling power, with practically negligible increase in weight, engine stresses, or upkeep, these diesel engines are supercharged with B-W Positive Displacement Superchargers.



As the favorite method for crippling a supply train is to bomb its locomotive, these Whitcomb Diesel-Electrics are camouflaged as box cars and placed anywhere in the train so that they are not easily spotted.



The B-W Positive Displacement Supercharger is closely sealed and precision-built for efficient and reliable operation.

SUPERCHARGERS, Inc.

• DIVISION OF BORG-WARNER

Milwaukee 9, Wisconsin

cation. Their appeal was denied by district and regional OPA offices. But the national OPA finally reclassified the stores into Group 1 last November.

Representatives of U.M.W. say they waited until they had made a full investigation before blasting the reclassification and that it is only coincidence that their blast came just a month before wage negotiations start Mar. 1. They do not plan any further action until they get together with mine operators in the wage conferences, where they will bring up the matter of company-store prices.

• **Blasts OPA**—The Journal attacks the "black-market, profit-margin markups in company stores," charges that "millions of dollars yearly will be added to the food bills of coal-mining families by this one act of the OPA—the agency which is supposed to 'hold-the-line' on the cost of living." The Journal makes much of the findings of regional OPA officials that the stores were making adequate profits, reports that the Cleveland regional office found evidence of "tricky bookkeeping" by the companies.

Any attempt to justify the reclassification on the basis of the credit operations of the company stores is assailed on the ground that no risk is involved, since any bill that is owed can be taken right out of the miner's paycheck. Group 1 rating, it is argued, should be reserved for high-cost operations like delicatessens that offer not only liberal credit but also telephone and delivery service.

• **Behind the Decisions**—Officials in OPA's Washington office suspect, privately, that in ruling out the company stores' bid local price officials may have been influenced by the knowledge that they were handling dynamite when they examined the store accounts. The national office's findings in favor of reclassification may have been bolstered by the advice of OPA's legal division that any other decision would not stand up in the courts to which the companies were threatening to appeal for a Group 1 rating.

To support their action, OPA officials point out that a number of company stores which have appealed for reclassification have been turned down because they failed to qualify. Contrariwise, such independently operated chains as Gristede Bros. in New York City have met the standards for reclassification.

• **May Change Rules**—OPA does not refute speculation that it is now examining ways and means of revising its regulations in line with the recommendations of its labor advisers.

The argument for OPA's reversing itself hinges on the difficulty of separating company-store profits from the profits of the company's operation as a

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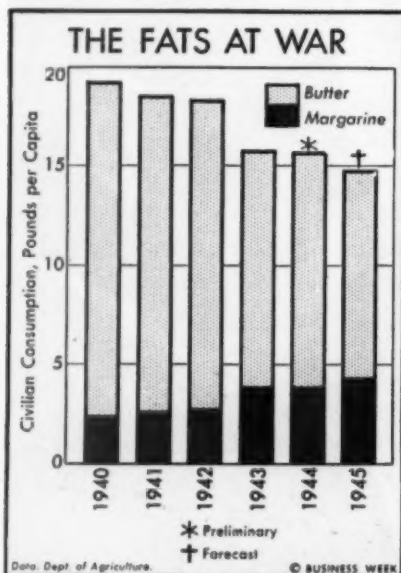
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whole, stresses the fact that the profit position of a company store—which has been defended by mine operators as a convenience to employees and a labor attraction—is not comparable to that of the ordinary independent enterprise.

• **Housing Case**—This argument relies heavily on the decision handed down last month by the Emergency Court of Appeals in the case of the Bibb Mfg. Co. of Georgia, which had appealed for permission to increase rents in the housing maintained for its workers. The appeal was denied on the ground that "the theory behind the establishment of this type of housing is not that financial profit will result from the operation of the housing, but that the cost of the project will be more than offset by resultant gains in production by affiliated factories."

U.M.W. spokesmen argue that a lot of company-store operators are deliberately keeping prices low "to keep the men satisfied."

• **Charges Investigated**—OPA enforcement officials are "studying" U.M.W. charges that the Koppers and Island Creek stores have violated price ceilings, started charging Group 1 prices before they were reclassified.



War's squeeze on the supply of butter available for civilians has brought a striking change in the competitive relationship between this spread and its long-standing rival, margarine. Thus, while over-all consumption of the two has shrunk from 19.3 lb. per capita in 1940 to a prospective 14.8 lb. in 1945, butter's share of the total is down from 16.9 lb. to 10.5 lb. whereas margarine's has risen from 2.4 lb. to an estimated 4.3 lb. for this year.

Ban Didn't Work

San Francisco called off spring showings to comply with Byrnes' convention directive, but many buyers came anyhow.

The War Committee on Conventions recognizes that it has a job on its hands winning compliance with the Byrnes directive against wartime conventions (BW-Jan.13'45,p7). Schemes designed to circumvent the travel-conservation measure are sprouting in profusion. A case in point is San Francisco's "market week"—officially called off but nonetheless widely attended.

• **Thousand Visitors**—How many furniture, apparel, art, and gift buyers streamed into San Francisco for the spring showings of new lines, all of which made their debut with simultaneous spontaneity on what would have been the opening day of market week, was anybody's guess. Neither the Chamber of Commerce, one of the sponsors of the annual event, nor the Office of Defense Transportation would challenge an estimate of 1,000, but even if that estimate was close it was impossible to tell how many had come from afar (New York apparel buyers, for example), how many from San Francisco's marketing area.

But from the volume of protests that arose in other parts of the country—particularly Chicago where annual showings had been called off—it was plain that the complainers suspected the worst.

• **Innocence Vowed**—All concerned in San Francisco vowed their innocence. The chamber, obviously embarrassed by the reaction in other parts of the country, exhibited cancellation telegrams sent to 97 other chambers in the marketing area; and it issued a freeze order on all future meetings.

The Manufacturers & Wholesalers Assn. of San Francisco, sponsor of a semiannual apparel goods show, withdrew from "market week" before travel became a national issue and announced that spring lines would be available for inspection, but not in the usual exhibits.

• **Appeals Taken**—When the Byrnes order limiting conventions was issued, the other two organizations—the Furniture Mart and the Art & Gift Show Assn.—used the appeal machinery created by the War Committee on Conventions to seek a relaxation on the ground that their plans were too far advanced to be canceled.

On Jan. 30, six days before the shows were to open, the committee denied the appeals (as it has denied all but two of

the 110 appeals received), and all scheduled events on both programs were called off. Booths that had cost the art and gift people \$5,000 were ripped out of the civic auditorium.

• **Buyers Didn't Heed**—The conventions' committee, an interagency body headed by ODT Director J. Monroe Johnston, accepted the explanation that notices of the cancellations failed to reach some of the buyers, that others paid no attention to the notices. But the committee's fear, echoed in ODT's threat that "steps will be taken" against future violators, was that other groups may force rigid restrictions on travel by following the example set in San Francisco.

Church groups and congressmen—raising the issue of "freedom of religion"—may defeat ODT's strongest effort to ease transportation and hotel problems. Last week ODT approved four church meetings, one at the urgent plea of two congressmen. The agency denied 469 applications for conventions and approved 15—such as Red Cross, National War Fund, and other non-commercial groups—during the first nine days of February, but it quailed before church groups.

CBS SHOWS ITS HAND

The battle strategy of the Columbia Broadcasting System in its fight to retard public buying of television receiving sets—until ultrahigh frequency television with its superior pictures is ready (BW-Oct.1'44,p87)—unfolded last week with CBS circulation of an editorial reprinted from the Washington Post.

The editorial commented on the "temporary and makeshift" character of television which results from action of the Federal Communications Commission last month (BW-Jan.20'45,p17) in proposing to permit resumption of television on prewar standards with the idea of moving the service up to the 480-920-mc. band when the high definition service is perfected; receiving and transmitting equipment for the lower frequencies would then be obsolete.

It was evident to the trade, and admitted at CBS, that the broadcasting system intends to pass up no opportunity to take a poke at its arch rival, Radio Corp. of America. RCA, which has a heavy investment in the present system, wants to cash in promptly on its television patents to offset its declining royalty revenues from radio. CBS has nothing to gain from immediate commercialization of television, will ultimately be out its investment in whatever low-definition equipment it is forced to buy to maintain its competitive position in the field.

THE FRUITS OF 20 YEARS'

Teamwork

Reading time: 1 minute, 45 seconds



Born in the same city, Mac and Jack were total strangers as boys. Mac served sodas at a drugstore to earn his way through night school. Jack left college to cover the home town area selling cigars his father manufactured. Both knew these were merely temporary activities.



Merely a coincidence that a liking for the automobile business landed them both in sales jobs with the same automobile dealer. And to broaden their knowledge later, both gravitated to sales positions with the same automobile manufacturer. Mac became a branch manager; Jack a branch sales manager.



About 1924, this congenial "team" decided to seek a Chrysler dealership as offering a most promising opportunity. They were granted a dealership in their home state and made good with a bang. Even through the depression years their resources more than trebled. And, after 20 years in business their enthusiasm still endures.

"Mac" and "Jack" (not their real names but an actual Chrysler-Plymouth dealership) were normal youths as their background shows. They came together because their ambitions were identical from the start.

And, more important, under competitive enterprise these energetic chaps were free to follow their chosen field . . . free as individuals and as a business team to progress as far as their beliefs, desires and industriousness could take them.

When war is over, there should be an unprecedented demand for automobiles and trucks. At that time, every branch of the automobile industry should again offer opportunities to men of initiative and integrity.

Tune in Major Bowes' Program every Thursday,
9 P.M., E.W.T., CBS Network

CHRYSLER CORPORATION

Plymouth ★ DODGE ★ DeSoto

CHRYSLER ★ DODGE Job Rated TRUCKS

KEEP ON BUYING WAR BONDS



With their business functioning smoothly, Mac was able to accept a temporary wartime Government assignment while Jack carried on at home. This duty performed, Mac has returned to the business. Both partners are also interested in a trade school activity . . . training today's youths as skilled mechanics in the industry in which they, themselves, have done so well.

New Ascaph Row

Hotels and restaurants complain as copyright society raises rates. Muzak Corp. is caught in a tough spot.

The three-year calm that has marked operations of the American Society of Composers, Authors & Publishers—the period since it came to terms in 1941 with the Dept. of Justice and the radio broadcasters—seemed about at an end last week. This time it was Ascaph's smaller customers—particularly hotels and restaurants—that were setting up a howl.

• **Familiar Tune**—Ascaph was putting on the bite—raising rates and checking on compliance. The new complaints were much like those that started the two-year feud between Ascaph and the networks (BW—Mar. 1'41, p38) during which radio abandoned the copyrighted tunes and lifted "Jeannie With the Light Brown Hair" to new heights.

Granted that musical genius deserves price protection—the question has always been how high a price.

• **In a Strong Position**—Ascaph, organized in 1914 by the publishers, composers, and authors of musical compositions in the United States for the collection of royalties and granting of licenses under the copyright laws for the public performance of their works, today finds itself in a strong bargaining position despite the government's checkrein. The approximately 200 publishers and 1,600 composers and authors who make up its membership give Ascaph control over more than 75% of all the copyrighted musical compositions.

Ascaph does not collect from these music users on the basis of their use of Ascaph tunes (which would require constant checkup) but bases its fees, allowing unrestricted use of Ascaph music, on such variables as seating capacity, type of entertainment (floor show, dancing, vocalist), admission or cover charge, hours and frequency of music performance. (Thus theaters pay a flat fee based on total seating capacity.) The funds are distributed by Ascaph to members according to their rating in the organization—those in AA group getting top pay.

• **Fear Further Increases**—Although the hotels and restaurants may be unimportant to Ascaph compared to the radio, the reverse is hardly true, especially when Ascaph indicates that it intends to take a larger slice of the music users' profits. Hotel and restaurant men aren't too disturbed over an increase in Ascaph rates now when business is enjoying a

war boom, but they fear that this may only whet Ascaph's appetite for high pay in the postwar period when business may not be so good.

And Ascaph's lead is often followed by other copyright groups, including Broadcast Music, Inc.—organized by the radio broadcasters in 1940 when they weren't playing any Ascaph tunes (BW—Jan. 4'41, p36)—Associated Music Publishers, Inc., Society of Jewish Composers, and Society of European Stage, Authors & Composers.

Last week, for example, hotels and restaurants received a letter from Harry P. Somerville, director of hotel relations at Broadcast Music, Inc., notifying them that their free license would expire on

Apr. 1, and after that date B.M.I. would expect payment ranging upward from 1% of total annual music payroll cost with a minimum fee of \$40 a year.

• **More From Muzak**—Typical of the squeeze catching Ascaph customers is that on Muzak Corp. in New York—one of William B. Benton's enterprises which will do a business of well over \$1,000,000 in the fiscal year ending Mar. 31. Muzak sells music it sends over telephone wires to hotels, restaurants, apartments, and industrial plants in U. S. cities (BW—Apr. 12'41, p55).

Industrial plants have been exempted by the copyright groups for the period of the war, except for the nominal charge of \$1 a year, but all other uses



MUNG BEANS MOVE WEST

Up 1,000% in market value since this war began, the Asiatic mung bean is one formerly imported crop that's likely to stay on American farms after normal shipping is resumed. Best known for the sprouts it produces for such popular Chinese dishes as chop suey, this bushy legume (left) is proving itself the possessor of an unsuspected versatility. Research has found it rich in protein and vitamins, valuable as hay, forage, silage, and meal. Because of its resistance to drought and its soil-building qualities, C. M. Volkman & Co., San Francisco seed house, is promoting the mung bean in the Wheat Belt, where the combines which harvest the grain can also harvest the beans (above).

Our sincere thanks

TO THE ARMY AND NAVY...

— for the confidence they display in calling for millions of **SKF** bearings for planes, tanks, ships and other war equipment.

TO THE FIGHTING FORCES...

— for the privilege of contributing to the war equipment which they are using so effectively in their valiant and courageous fight.

TO AMERICA'S WAR INDUSTRIES...

— for putting millions of **SKF** bearings to work to beat the Axis.

TO MANY OLD CUSTOMERS AND FRIENDS...

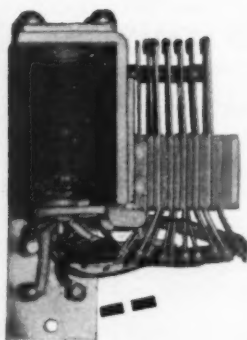
— for their patience and understanding when we can't deliver all the **SKF** bearings *they* need. For realizing that our production is "at war." We especially appreciate this assurance that **SKF** products will always find as warm a welcome in the plants of peacetime as they are finding in the arsenals of war.



SKF INDUSTRIES, INC., PHILA., PA

6001

CLARE "Custom-Built" RELAYS Helped Pan American Blaze War's Overseas Trails



Pointing the overseas trail for America's war transport planes, engineers and pilots of Pan American World Airways set the pace for the airliners of tomorrow. Young and forward looking, these Pan American engineers were ever on the alert for new ideas... new ways of doing things better.

That's why Clare "Custom-Built" Relays were chosen by Pan American for their aircraft radio equipment. Only in Clare Relays could they secure a design "custom-built" to meet their exacting demands for relays that would withstand extreme vibration, resist the most severe shocks and still be absolutely dependable for long service.

Perhaps your engineers are now designing new products... are seeking new ways to improve present products. If so, they will be quick to see the advantages of the Clare "Custom-Built" idea which make it possible to always have just the relay best fitted for the task. Send for the Clare catalog and data book today. Address: C. P. Clare and Company, 4719 West Sunnyside Avenue, Chicago 30, Illinois. Sales engineers in all principal cities. Cable Address: CLARELAY.

CLARE RELAYS

"CUSTOM-BUILT" Multiple Contact Relays for Electrical, Electronic and Industrial Use

of Muzak music must clear with Ascap before its public performance if a copyright infringement suit is to be avoided (minimum penalty for copyright infringement is \$250 a day).

Several years ago before Benton, now chairman of the board, bought into Muzak through purchase of all the common stock of associated Music Publishers—which in turn owns all the common stock of Muzak—the corporation had a blanket license with Ascap whereby it paid Ascap 10% of the gross receipts.

• **Switch in Policy**—But the large sum spent to develop the Muzak technique had drained the company's resources and Muzak fell behind in its payments with Ascap finally writing off the debt of almost \$12,000 as well as canceling the contract, and switching over to collections from individual subscribers. Until recently this system has been fairly successful for both parties, as for example in New York City where Ascap reports it has been able to collect from 95% of all Muzak's customers.

But of late Ascap has complained that Muzak failed to inform it of new subscribers; that Muzak has quoted Ascap rates to subscribers that aren't true rates. Ascap, on guard for free-riders, has renewed its policing of the entertainment field and launched a national program of "stabilizing and standardizing rates."

• **Rate Doubled**—For example, Sydney Hoedemaker, president of the Pig's Whistle Corp. in Los Angeles which operates several large restaurants and is an important Muzak customer, had his rate boosted on one Melody Lane restaurant from \$120 to \$600 a year.

This was a doubling of the rate in the main dining room with new charges of \$120 apiece for each of three small banquet rooms. Ascap says the increase was to care for added seating capacity in the main room and extension of the service to the other rooms. But as a result Hoedemaker is discontinuing Muzak in all but the main dining room.

Similarly other complaints have stacked up at Muzak headquarters from customers who are arguing that Ascap should collect at the source. Members of the American Hotel Assn. who subscribe have openly expressed a willingness to pay a higher rate for the service if Muzak would take up the Ascap license cost. Otherwise, the hotelmen say, they may drop the Muzak service.

• **New Agreement?**—Under this growing pressure Muzak has already sent out feelers to test Ascap's willingness to enter an over-all agreement. But although the consent decree signed in 1941 to end the radio squabble provides that Ascap must license all comers, it doesn't specify at what price, and it's

at this point that Muzak has struck a blow. It doesn't seem likely to the trade that Ascap will forget its previous misadventure with Muzak—although Muzak backers feel they deserve some consideration for having developed this new source of income for the copyright owners.

Other aspects of a new Ascap-industry struggle point to further court suits. Maria Kramer's 800-room Hotel Edison in New York City already is pressing for action in the state court of appeals on a suit against Ascap as a "combination in restraint of trade" and liable to prosecution under New York state's Donnelly act.

No Hearing Yet—So far the lawyers have been unable to get a hearing since the courts have contended that Ascap deals in no commodity. More suits may follow. The tip is that hotel and restaurant associations are calling members' contracts for review of Ascap provisions.

CO-OPS ADD APPLIANCES

Cooperatives are getting set to invade the electrical appliance field. Following a favorable vote of the appliance committee and the executive committee of National Cooperatives, Inc., last month, steps will be taken at once to prepare for postwar distribution of such items as refrigerators, radios, water-heaters, home freezer units, washing machines, vacuum cleaners, toasters, stokers, irons, and other home and farm appliances. This is a first step in the postwar program of the cooperatives for diversifying their products and services to offset present emphasis on farm supplies (W—Oct. 21 '44, p. 29) and to increase measurably the number of U.S. consumers—now less than 10% of the population—who are co-op patrons. Plans for appliance distribution contemplate establishment of repair and service facilities through local and regional cooperatives.

S. A six-week enforcement drive against manufacturers, jobbers, and retailers of floor, table, and other household lamps and shades has been announced by the FPA. The agency seeks to stamp out price increases to consumers. In some cases, retail prices were two to three times the March, 1942, base-period price. . . . Confectioners hoping to profit from the vitamin-enrichment candy products received a blow to their promotional hopes last week when the American Medical Assn.'s council on foods and nutrition refused to grant seal of approval to one such candy.

Tops in Protection



Against many deadly diseases
— it's inoculation

Against poison gas
— it's the gas mask



Against thieves and marauders
— it's Cyclone Fence

Cyclone is the world's most widely used property protection fence

WHEN you need fence, it is well to remember that Cyclone is the world's most widely used property protection fence. This fact is proof of Cyclone's quality and outstanding record of satisfactory service. Write us about your requirements. You can get Cyclone Fence today, if you are making war goods and have the proper priority. We'll gladly furnish recommendations and

a free estimate. And it is not too early to plan now for your postwar needs, even if you are not eligible for fence at this time. Let us send you our 32-page book on Cyclone Fence. It is full of pictures and complete information about fence, gates, window guards and wire mesh barriers—facts that will help you select the right fence for your property. Mail the coupon—no obligation.

CYCLONE FENCE DIVISION (AMERICAN STEEL & WIRE COMPANY)

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CYCLONE FENCE



Clip this coupon—and send it to:
Cyclone Fence, Waukegan, Ill., DEPT. 425
We'll send you our free, 32-page book on fence.
It's full of facts, specifications, illustrations.
Shows 14 types of fence. Before you choose any
fence for your property, get the facts about Cyclone. Mail this
coupon today.

Name.....
Address.....
City..... State.....
Interested in fencing: ☐ Industrial; ☐ School; ☐ Playground;
☐ Residence. Approximately.....feet.



UNITED STATES STEEL

LABOR

"Plan" Is Too Slow

Manpower programs, like Allentown's, are not producing enough workers to meet plant needs in critical areas.

Community or area efforts to fill critical manpower needs in war plants can help, but it is becoming increasingly apparent that semiobligatory programs such as the Allentown Plan in the Pennsylvania Lehigh Valley (BW—Feb. 3'45,p90) will not be sufficient to relieve the urgency for some form of mandatory controls. Some sort of national service law now seems likely (BW—Feb. 10'45,p17), but it is expected to take the form of labor sanctions, not an outright draft.

• **Not Fast Enough**—Weakness of the Allentown Plan, and the modifications of it which are spreading through the country, appears to be not so much its method—for results definitely are being shown—but the slowness with which it processes men "voluntarily" from nonessential plants through the War Manpower Commission and United States Employment Service to essential jobs.

During the first three weeks of the plan, 336 men were taken from breweries, soft drink companies, cement plants, and other concerns listed as nonessential, but as WMC officials at Allentown prepared to begin tapping textile plants, hotels, retail stores, insurance firms, and nonmetallic mining employers for more workers to channel into essential jobs, the goal of about 2,000 workers was still far removed.

• **Hopeful for 100 Daily**—The outlook was similar in Newark, N. J., where the WMC "drafted" 300 workers from 70 plants, principally in the garment industry, in its first orders after three weeks of preparation. There the demand is for 20,000 workers, with the WMC hopeful of an eventual flow of 100 workers a day.

Even more of a damper to plans for meeting manpower needs through the cooperative process tried out in Allentown and Newark came from Under Secretary of War Robert P. Patterson who contended at a congressional hearing (1) that this method would not produce the necessary workers quickly enough, or with enough certainty; (2) that it would not provide the best workers for the critical jobs, but only the most inefficient workers from the

nonessential plants, and (3) that no ceiling system would reach the millions of men who are self-employed.

Despite its faults, Allentown Plan variations are springing up. In Chicago, first large city to test the program, all employers of ten or more nonessential workers have been ordered by the local WMC office to reduce personnel 10% to facilitate transfer of male employees to war plants. Workers must find jobs through the U.S.E.S., and former employers continue to pay them until they are placed by the federal agency.

• **Checking Up**—Meanwhile, WMC is clearing its desks for any role it may be asked to play. Paul V. McNutt, chairman, announced last week that Dept. of Labor inspectors have started checking all employers throughout the country on compliance with priority referrals, employment ceilings, manpower utiliza-

tion, and other regulations of WMC.

The announcement said that it is routine, but the checkup is well timed to aid in speeding WMC compliance with any directive which the agency might be given by Congress.

Aircraft Umpire

C.I.O., A.F.L., and six plane makers agree to negotiate toward an arbitration system—but there's still a hurdle to clear.

One important hurdle remains before the joint agreement setting up an umpire system for adjudicating labor disputes in the southern California aircraft industry can produce results.

• **Feather for NWLB**—But the fact that three divergent elements in the industry—the six manufacturers, the C.I.O. United Auto Workers, and the A.F.



BRITISH SUBJECTS HELP UNCLE SAM

In straw hats and government-issue overcoats, three Jamaica laborers examine their first snow on arrival at Cleveland where they'll ease manpower shortages by working for railroads and war industries. They are in the vanguard of 4,000 imported workers assigned to northern Ohio from the 2,200 brought in from the British colony during the past fortnight. These contingents, and those to follow, are being employed under contracts between the War Manpower Commission and local employers who pay and board their hirelings. Under Washington's \$13,000,000-a-year foreign-labor program (BW—Feb. 12'44,p10), each Jamaican draws his coat, heavy underwear, and socks from the Army

SPECIAL MESSAGE FROM PACKARD

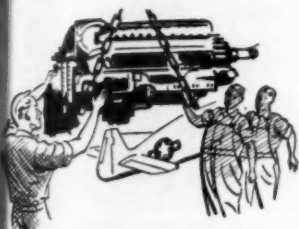
TO EVERY ARMY AIRMAN



PT BOAT CREWMAN



AND U. S. TAXPAYER



This is the story of another Packard war year—1944. It was a year that saw the completion of the 55,122nd Packard-built combat engine—a total of 84,336,900 precision-built horsepower.

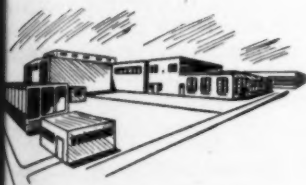


2. More than a fifth of these 55,122 engines were Packard marine powerplants for Navy PT boats and British MTB's. Wherever you find the Navy's swift PT's, they are powered by Packard engines.

Los Angeles 2,470 miles
6 hrs., 31 min., 30 sec. New York

Labrador 2,200 miles
6 hrs., 46 min. British Isles

3. Remember the famous week when a Mustang broke the trans-continental speed record, and a Mosquito plane set a new trans-Atlantic speed record? These planes were powered by Packard-built Rolls-Royce aircraft engines.



In Toledo Packard launched a great new project, devoted to aircraft engine research and development for the U. S. Army Air Forces, also broke ground for a Packard test-flight center at Willow Run Army Air Base.



5. Packard engine production in 1944 topped 1943 by 57% but the dollar volume of business done went up only 32%. Packard continued to whittle down the average cost per engine, saving you money as a taxpayer.



INCOME TAXES



NET PROFIT

6. Packard income tax for 1944 is estimated to exceed \$19,000,000—almost five times larger than the company's expected net profit. In fact, less than 1 cent out of every dollar of business done remained as net income.



Packard employees lead the nation War Production Drive awards for suggestions on production shortcuts. In 1944, 53 new awards with estimated annual savings of \$6,000 (man hours) brought the Packard total to 162.



8. War production comes first at Packard. But when war conditions permit, Packard will build cars again, carrying out an expansion program that will double Packard's biggest pre-war output. Your future Packard will be well worth waiting for!

A special postscript to Packard owners

Packard is also producing vital parts to help keep the nation's transportation rolling, and Packard dealers are trained in protective wartime service. Keep your car at its best—you may have to drive it longer than you think!

ASK THE MAN WHO OWNS ONE



MUSTANG fighter



WARHAWK fighter



HURRICANE fighter



LANCASTER bomber

PACKARD

PRECISION-BUILT POWER



MOSQUITO fighter-bomber



NAVY PT boats



ARMY rescue boats

THE LABOR ANGLE

Coal

Looming ahead is what may prove to be the most important labor showdown of the war. Here's the shape it will take:

All over the coal fields, miners are electing representatives who will sit on their union's Policy & General Wage Scale Negotiating Committee. The group of 61 now being chosen will meet in Washington on Feb. 26 with John L. Lewis, president of the United Mine Workers. Until that meeting formulates U.M.W. policy, there is no such thing as a set of official union demands in coal. What will actually happen, however, is that Lewis will propose to the committee his idea of what the union should demand, and the committee will then unanimously vote to adopt his proposals.

No one, not even Lewis, knows at this stage of the game precisely what U.M.W. will ask. Reason for the uncertainty is that Lewis wants to take full advantage of the forces aligned against him, and these forces are shifting, changing. Formulation of his demands at the last possible moment will enable him to take full advantage of any weakness in the opposition's line. Last year he was able to drive a wedge between the National War Labor Board and Interior Secretary Harold L. Ickes and come out claiming a substantial victory. This year the C.I.O. is running interference for the miners by campaigning to curtail Economic Stabilization Director Fred M. Vinson's authority over wages. Like any ball carrier counting on doing some broken field running, Lewis wants the advantage of changing signals up to the moment of play.

Demands

In general, however, what the miners will be demanding is already clear. Many of the discussions which have gone on in the districts, attending the election of scale committeemen, have been inspired from headquarters. They tend to center around a \$2-a-day wage increase demand. As with any leader, Lewis' position is stronger when he bespeaks the will of the rank and file. Inspired discussions in the district serve to make that will.

The miners are certain that this time they will be negotiating their postwar contract, for coal agreements run two years. Consequently U.M.W. is interested, not only in immediate gains, but also in fortifying the union on ground that will give it the maximum advantages in the postwar labor front's free-for-all. Therefore, in the coal negotiations that open in March, U.M.W. will give a series of fringe demands equal emphasis with wage proposals.

Among these will be demands for: (1) a seven-hour day, 35-hour week (from portal to portal) with time-and-one-half for all additional work time; (2) abolition of all tonnage and day-rate differentials existing within and between districts; (3) limitations on the numbers of supervisory employees excluded from the contract and excluded from U.M.W. membership; (4) provision by employers, without charge, of all tools, explosives, and other materials used by miners; and (5) sanction for miners to cease work, without violating the contract, in order to prevent shipment of coal to consumers whose employees are on strike.

Seizures

There is little disposition on the part of the coal operators to do much bargaining with Lewis. They will turn the whole problem over to the government. It will be hard to keep NWLB out of the picture without doing irreparable violence to established procedures for handling labor disputes, but because final decisions will be made in the White House, Washington wants to limit the board's role as much as possible. With coal supplies critically low, time will be of the essence.

It's a cinch that the government will take over the mines—either as soon as a strike begins or on the threat of a walkout. Then, at that point—probably within the first week of April—the real manipulations will begin. As contrasted with the 1943-1944 situation when Lewis was in a hurry to get a final settlement, he'll play for time this year. If he can avoid signing a contract until the war in Europe ends and there is some slackening of government controls, mine workers' gains will set the objectives for a new labor drive.

International Assn. of Machinists agreed last week to the proposal of the National War Labor Board that it explore all possible avenues of government as a feather in the cap of NWLB's persuaders.

Under present production schedules some 200,000 workers would be affected by the industry-wide impasse provided for in the agreement.

• **The "If" Clause**—What restrains people from dancing in the streets is this clause: "providing agreement can be reached as to the details of jurisdiction and procedure."

In the shift from wartime to peacetime production, and in the sifting process that will follow the cessation of hostilities, jurisdiction will become a choice battleground for unions in industries where they overlap, or where rights have not been clearly staked out. Jurisdictional rivalry after the war will engage not only the C.I.O. and A.F. but also the fiercely jealous crafts within the federation.

• **Statesmanship Required**—This is particularly true of the aircraft industry in southern California. Having risen from the soil to meet the impatient demands of war, the industry has nothing to reconvert to. The only certainty its future is a drastically reduced demand for its product when the war is over.

To anticipate the reshuffling of personnel which will result, and to avoid by a prearranged division of the jurisdictional spoils, require a high order of labor statesmanship.

• **Differences Aired**—Agreement to explore the possibilities of a voluntary system for settling disputes is the result of a joint conference in Washington last month at which wage down-grading and other points of conflict on the West Coast were aired before NWLB officials (BW—Jan. 20/45, p100).

Through its national airframe panel NWLB is to receive monthly progress reports on negotiations, which are kept tentatively to the promise of a final report by Apr. 1.

• **Like Joint Boards**—Except for the fact that it involves two unions, the union arrangement would be similar in broad lines to the joint boards that license the garment industry.

BRACKET RULE EASED

Another breach was made in wage control line last week when National War Labor Board relaxed restriction requiring that at least 75% of all new workers in any company hired at the minimum rate for their classifications. For instance, a company needing workmen on a job paying to \$1.10 an hour—according to skill



Look in the Mirror, Mr. Driver!

You drive carefully...your car's in good shape...you have automobile insurance protecting you against damage suits, fire, theft or damage to your car. So you're all set for carefree motoring, aren't you? *Maybe not!* Look in the mirror, Mr. Driver . . .



Does your Automobile Insurance cover the guest in your car?

If you should have an accident—if your guest should be injured—you'd want to say, "Get the best possible medical care. It's on me!"

**look in the back seat . . .
is your family protected?**



And of course you'd want the best of medical attention for your family. You can have it. For just a few dollars more—as little as \$3 a year in many communities—your Hartford Automobile Insurance will pay all medical expenses... doctors, nursing, hospital, etc. up to \$250 per person for every person in your car—more if you wish!

Hartford "Medical Payments" Insurance protects you, your guests, your family!

This feature is simply added to your regular automobile policy. It pays medical expenses for yourself and all passengers who may be injured—whether the accident is your fault or not. Your Hartford agent or your insurance broker will be glad to give you the whole story. Or write us.



Aviation Insurance? Of course!

Your Hartford agent or your insurance broker is just as "air-minded" as you are! He'll be glad to provide the protection of good, strong insurance for your plane . . . your fleet of airliners...yes, even for that helicopter that is coming some day. *Right now* you can get protection for *all* good, safe, insurable aircraft.

Beautiful—but dangerous

Snowflakes may spell trouble around your home this winter. Before you know it, they're packed down hard... and slippery. Someone falls—a guest, perhaps, or a servant. Your fault? Maybe not, but nevertheless you may face the threat of a costly lawsuit. Hartford's \$10-a-year "Damage Suit Insurance" thaws you out of trouble more quickly than a warm spring sun. Covers you up to \$10,000!



Don't pick them 'till they're ripe!



Let your War Bonds grow to maturity. You'll be glad some day that you let them grow, let the interest pile up, until they pay off at full face value. That way you'll get four dollars back for every three you invested. Uncle Sam can't buy bullets with the bonds you *used* to own!

Hartford Insurance

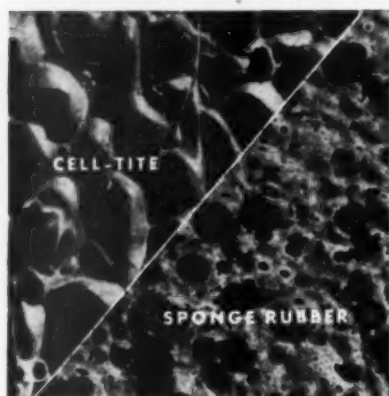
Hartford Fire Insurance Company
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Writing practically all forms of insurance except personal life insurance • Hartford 15, Conn.



Cellular Rubber

Hundreds of New Formulae Now Available for Industrial Use



Uses Include

**Sound Deading,
Sealing, Insulating,
Vibration Dampening**

PHOTOGRAPHS above show cross sections of two basic types of cellular rubber. Both are made by expanding natural or synthetic rubber to produce lightweight, resilient, materials. CELL-TITE is nonabsorbent—cells are individual, non-connecting, filled with inert gases. It may be hardened in the process of manufacture; is reputed to be the strongest structural material for its weight. SPONGE RUBBER is absorbent; the cells inter-connect.

COMPOUNDED TO ORDER We compound cellular rubbers to meet your exact need. By varying formulae we control all structure, weight, tensile strength, resistance to heat, chemicals, abrasion, oxidation. Material is furnished in sheets, strips, slabs, cord, tubing, pads, molded shapes or die-cut pieces.

AMAZINGLY VERSATILE Wherever metal meets metal soft cellular strips and formed parts seal, insulate, lessen sound and vibration. Hard and soft varieties insulate refrigerators and quick-freeze units; are ideal for life preservers, life rafts.

CELL-TITE Hard is the most efficient and durable material known for flotation purposes. Its dielectric properties have led to its wide use in radio and radar equipment.

SOME AVAILABLE NOW Some compounds of synthetic and reclaim rubber are available now for experimental work and limited civilian manufacture. Tell us your problem. If it can be solved with cellular rubber, we will help you solve it.

Sponge Rubber Products Co.

125 Housatonic Avenue
Derby, Conn.

WORLD'S LARGEST MANUFACTURERS
OF CELLULAR RUBBER PRODUCTS

length of service—was required to employ at least 75% of its new personnel within that bracket at the lowest rate, 85¢.

This policy has proved a handicap to essential industries because their principal sources of labor—workers in non-essential plants and those laid off by other war industries—have usually progressed to the top of their wage brackets and are unwilling to accept new jobs at the minimum rate.

Under last week's ruling, NWLB will give employers permission, on application, to pay new workers any rate within the appropriate wage range for the job, on the basis of their ability and experience. Three conditions must be met: The employers must actually be engaged in critical or essential work; they must be complying with all manpower regulations; and they must be able to show to the board's satisfaction that they are faced with a critical hiring problem which is due to the 25% restriction.

Union Gets Bid

Company asks extension of contract to cover office staff, giving new twist to Wagner act ban against favoritism.

When a company invites a union to organize its employees, it does more than just make news; it gives a new twist to the interpretation of the Wagner act, which bans discrimination by management in recognition of a bargaining agent.

• **Would Extend Contract**—The Sigmund Eisner Co. of New York City last week announced that it was asking the Amalgamated Clothing Workers of America (C.I.O.) to complete organization of its Red Bank and Newark (N. J.) plants by extending its contracts to include several hundred office and shipping employees. The union, described the company's request as unsolicited.

Seven years ago when employees in the two plants chose A.C.W.A. as their collective bargaining agent, the company signed a contract without hesitation. The management's announcement last week said that harmonious labor relations, in which differences were settled face to face with mutual respect and cooperation, had paid dividends. The company reported it had been able to fill all government purchase orders and that its business had expanded greatly.

• **NLRB's Yardstick**—The invitation to the union to extend its contract raised

But Was It Peaceful?

Use of gasoline by a union agent for picketing is "occupational driving" and does not constitute a violation of special allotments by the Office of Price Administration, a Los Angeles OPA panel decided after investigating charges referred from an Ontario (Calif.) board.

• **Jim Odle**, representative of the Teamsters' Union (A.F.L.), gets a monthly gas ration for 2,000 mi. in performance of union duties described to OPA as "maintaining peaceful industrial relations."

• Recently, however, there was doubt about the peacefulness of Odle's activities. During a dispute with William Reitkerk, a dairyman whose 250 gal. of milk a day were barred from Los Angeles markets, Odle drove 130 mi. to picket Reitkerk's dairy farm. Charges were made before the Ontario OPA that this was an effort to disrupt industrial relations, that his allotment should be withdrawn.

• The Los Angeles OPA panel—which included a former C.I.O. leader now employed by the OPA—turned down the charges, but skirted the major issue of whether driving during picketing comes under "maintaining peaceful industrial relations."

in a new way the old question of the favoritism ban in the Wagner act under which employers must scrupulously avoid any semblance of partiality in procedure leading up to recognition of a union as bargaining agent. The question: What is the measure for favoritism?

The National Labor Relations Board yardstick in such a situation is that a company would be in violation of the act unless a "substantial number" of employees, 30% or more, had signified their desire to be represented by the invited union by signing applications for membership. Even then there would have to be evidence that there were no conflicting claims to organizing rights.

• **Already Answered**—It was a hypothetical question where Eisner was concerned. Its unorganized workers already had signified that they wanted the A.C.W.A., and since this union already had a contract covering the plants, the C.I.O.'s United Office & Professional Workers of America was not interested in seeking jurisdiction over the company's clerical forces.

BUILDING BUSINESS

"for the Wings of Democracy"



KARDEX—of course!

Pan American World Airways labors under no delusion that its great record of pioneering air service to 62 countries and its wartime linking of all the world's continents, are an assurance of ready-made traffic when peacetime prosperity comes.

Competition is sure to come to the Flying Clippers, "The Wings of Democracy"—and Pan American will have highly efficient sales controls to help meet it.



With Kardex *Visible Sales Control Systems*, Pan American has at all times, properly correlated and instantly available, the "Fact-Power" needed to plan and implement widespread selling activities.

For greater operating facility and accuracy, many of these records are actually made *self-charting* with Graph-A-Matic signal control. They reveal comparative facts at a glance . . . provide accurate summaries of sales progress by individual account, by agency and by salesman. *They simplify the business of business-building with a constant flow of data essential to productive management.*

Says Mr. A. C. Doyle, U. S. Sales Manager of Pan American World Airways: "Your valuable study, 'Graph-A-Matic Control for Sales Management', outlines many systems such as those that have greatly simplified the controls necessary to record and analyze our own business. Every sales executive should derive much profit from reading it."

IN CONNECTION WITH YOUR POSTWAR PLANS, we'd like to have you see a new 96-page study based on the sales control successes of many prominent organizations. "Graph-A-Matic Control for Sales Management" is for executives who are seizing today to prepare for tomorrow. It's free . . . from our nearest Branch Office.

SYSTEMS DIVISION
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 Buffalo 5, New York

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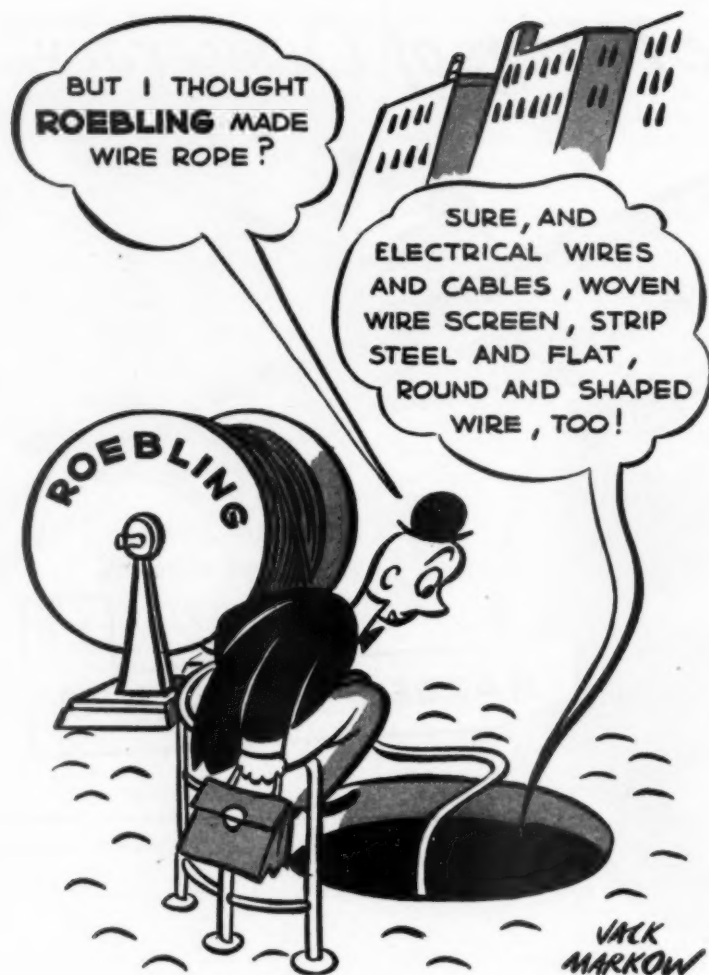
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17, 1945



Roebing produces every major type of wire and wire product... toaster cord to telephone cable... bridge cable to wire rope... fine filter cloth to heavy grading screen... strip steel and flat wire to round and shaped wire... all Roebing products. All the result of over 100 years of wire specialization.
John A. Roebing's Sons Company, Trenton 2, N. J.



ROEBLING

PACEMAKER IN WIRE PRODUCTS

WIRE ROPE AND STRAND • FITTINGS • SLINGS • SUSPENSION BRIDGES AND CABLES
COLD ROLLED STRIP • HIGH AND LOW CARBON ACID AND BASIC OPEN HEARTH STEELS
AIRCORD, SWAGED TERMINALS AND ASSEMBLIES • AERIAL WIRE ROPE SYSTEMS • ROUND
AND SHAPED WIRE • ELECTRICAL WIRES AND CABLES • WIRE CLOTH AND NETTING

Union for Garages

U.A.W. organizing drive, about to start in Detroit, may stir up jurisdictional strife as it moves westward.

A full-scale drive to bring garage servicemen and mechanics into the C.I.O. United Auto Workers Union is awaiting only the allocation of funds by the international officers to meet campaign expenses.

• **Detroit First**—At the outset the drive will center in Detroit, where U.A.W.'s Local 415 believes that about 25,000 garage workers are eligible. Around 3,000 Detroit garagemen already are members, most of them employees of Ford dealers who themselves signed union contracts after Ford Motor Co. signed up with U.A.W.

Local 415 is practically alone in the Detroit field. Under the wartime antiraiding agreement, the U.A.W. has jurisdiction over service shops, while the International Assn. of Machinists (A.F.L.) has jurisdiction over shops of truckers and fleet operators. But only a few service workers belong to the I.A.M., and it is reported that no organizing campaign is being planned by that union.

• **Eyes on Salesmen**—Union rivalries elsewhere, however, indicate the possibility of stout competition facing U.A.W. On the West Coast, for example, most union garage mechanics are members of the I.A.M. and the A.F.L. Teamsters Union. A similar situation prevails in Chicago. In Cleveland the teamsters have a modest degree of organization in the shops.

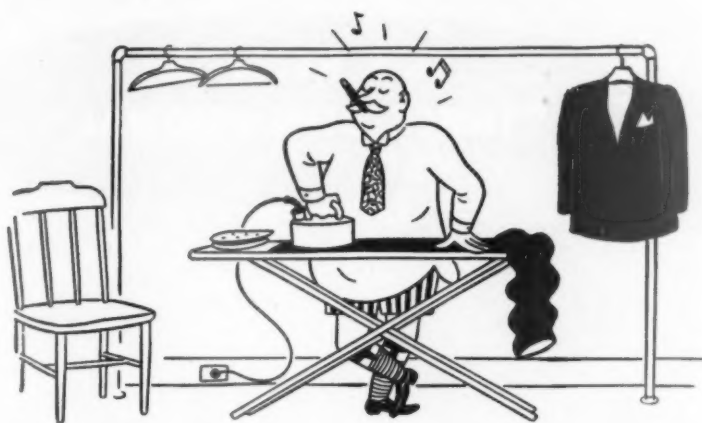
The germ of jurisdictional argument also exists in the possibility that the U.A.W.'s Local 415 may attempt to extend its organization to include the few auto salesmen who remain on the display floors and used-car lots.

Such a move would bring quick reaction from the C.I.O. Retail Clerks and the Teamsters, as well as from the A.F.L. Retail Clerks Union whose charter covering auto salesmen has been inactive during the war.

• **Membership Limited**—Organizing of garages poses problems new to most such drives. Potential membership in each shop is small, rarely running above 25 mechanics, except in the largest establishments, and generally around ten or less.

This is believed to be the reason behind the request to the international offices for organization funds. Organizing is expensive where membership potential is small, and where the initiation

It never quite
came to this...



and it may never
come to this, but...



In anticipation of a gradual easing of difficult war-time conditions, we're now planning at the Hotel Pennsylvania, New York's Statler Hotel, for the time when we can out-do even our own prewar standards of Hotel Pennsylvania service.

Right now, of course, our staff is depleted by the absence of trained personnel serving in the armed forces. Naturally, we have been hard pressed to

maintain the pleasant and convenient service features that make a stay at Hotel Pennsylvania so agreeable.

Nevertheless, while it may take us a bit longer to attend to your wants these days, we feel certain you'll agree that you've *always* been able to count on us for close attention to your every request, just as you did in peacetime.

Meanwhile, all of us at Hotel Pennsylvania appreciate your past co-operation and hope you will continue to give a thought to these matters...

Whenever possible, make reservations in advance.

Inform us of your hour of arrival and day of departure.

Cancel unwanted rooms promptly.



**YOUR DOLLARS ARE URGENTLY
NEEDED FOR U. S. WAR BONDS**

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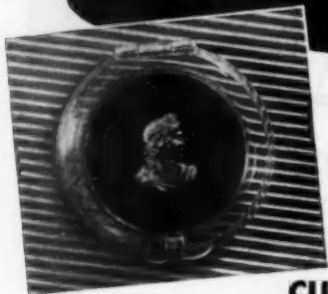
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Combine Beauty and Utility with -----

ERIE RESISTOR "THREE DIMENSIONAL"



CUSTOM MOLDED PLASTICS

WITH ERIE RESISTOR, "Three Dimensional" plastics, lettering and designs are molded so that they stand out in bold relief from a colored background. Either the design or background may be crystal clear, or each a different color. Since all colors are applied to the rear surface, they are not subject to abrasive wear, and will retain their brilliance in spite of constant handling.

Erie Resistor's "Three Dimensional" plastics are

particularly adaptable for name plates, knobs, dials, panels, handles... wherever lettering or decorative lines are used. Since the one-color illustration cannot portray the wonderful results obtainable in Erie Resistor "Three Dimensional" plastics, we suggest you write for samples, at the same time stating your specific requirements.

We will give you complete information promptly, without obligation.



Plastics Division
ERIE RESISTOR CORP., ERIE, PA.

LONDON, ENGLAND

TORONTO, CANADA.

Do More Than Before—Buy EXTRA War Bonds

This advertisement appears merely as a matter of record as all of these Debentures have been sold.

New Issue

\$7,360,000

Tri-Continental Corporation

3½% Debentures

Dated February 1, 1945

Due February 1, 1960

Price 102% and accrued interest

Copies of the Prospectus describing these Debentures may be obtained from the undersigned.

UNION SECURITIES CORPORATION

February 14, 1945

fee is \$10 and monthly dues are \$1.
• **Dealers Divided**—Dealer sentiment toward the organizing drive is mixed. Some feel that the advantages of operating as union establishments in so strong a U.A.W. center as Detroit would provide them with a good sales weapon.

Others are more concerned over the possibility of a head-on collision between the A.F.L. and the C.I.O., if not in their service shops, then among salesmen on their showroom floors.

"BLIZZARD PAY" O.K.

National War Labor Board regulations bar employers from paying wages for time not actually worked. Some times, however, there are extenuating circumstances. Last week tens of thousands of New England workers were unable to reach jobs when transportation was snarled by one of the winter's worst blizzards.

In a step recalling "act of God" clauses inserted in many contracts, the Boston regional war labor board authorized "blizzard pay"—at regular rates for all workers kept at home by storm conditions, as well as for hardier ones who reported only to find that plant shops, or offices were closed.

The regional board emphasized that its order is permissive only. Employers are not legally required to pay for a day not worked.

TOKEN VICTORY FOR FEPC

An agreement has been made by the executives of the Shell Oil Co.'s Deer Park (Tex.) refinery and Local 367, Oil Workers International Union (C.I.O.), to comply with a directive of the President's Fair Employment Practice Committee granting to Negro and Mexican workers the same opportunities for promotion that are offered to other employees.

Announcement of the agreement has been hailed by FEPC as a victory for that agency. But industrial executives, colored workers, and union members view the directive—and the agreement to comply with it—as a token victory good on paper but one that may run into many obstacles in actual operation.

SHIP MAGAZINES RETRENCH

Pride of many a shipyard management during the war has been its company magazine or newspaper, widely circulated among workers to build morale.

Recently these publications (38 in U. S. shipyards) were given a jolt. The Maritime Commission had been backing their production with \$900,000 a year. In a sudden decision aimed at saving manpower, materials, and the



These are the things that make America strong... the industries that RB&W has served during its 100 years of developing better fasteners for better products.

THE *Carriage Trade*...

NO. 2 *Automobiles*

FROM JOLTING JOGGING TO SMOOTH SAILING



The "Carriage Trade" has come a long way—from the jolting, jogging 5-mile-an-hour pace of the middle 1800's to the smooth comfort of today's mile-a-minute "cruising"... Like the carriage industry of 100 years ago, the automotive industry, through all the auto's progressive stages, has called upon RB&W for bolts, nuts and other fasteners to keep a car's body and soul together in the face of stress and shock... and, everlastingly, to speed up its production... Not by accident of birth did RB&W win the position it holds

in the fastener industry. RB&W pioneered from its very



beginning a century ago, by developing such machines as the first automatic cold header. And today, from raw material to finished product, RB&W bolts and nuts are

produced by the finest machines and methods available (many of them developed by RB&W engineers), backed by 100 years of "know-how" checked, proved and *improved* by continual research and development...

That's why—no matter *what* shape or form the "carriage" of tomorrow will take, the automotive industry—like the builders of railroad and marine equipment, farm implements, construction and power equipment and others—will find RB&W ready with bolts and nuts of the proper strength, accuracy and finish—as *always*.

100 Years... MAKING STRONG THE THINGS
THAT MAKE AMERICA STRONG

RB&W

RUSSELL, BURDSALL & WARD BOLT AND NUT COMPANY

Factories at: Port Chester, N.Y., Coraopolis, Pa., Rock Falls, Ill. Sales offices at: Philadelphia, Detroit, Chicago, Chattanooga, Los Angeles, Portland, Seattle. Distributors from coast to coast. The industry's most complete, easiest-to-use catalog.



Water, water everywhere But not inside this motor!

IT "rains" every day in the dairy whose milk you buy. "Hosing-down" floors helps insure purity of the product, is standard dairy practice. And careful though the man with the hose may be, some water splashes upon the electric motors that drive milk-processing equipment. But even a little water *inside* those motors

would make the milkman late in calling at your house, if he could come at all.

That kind of service-in-a-shower calls for a Robbins & Myers Splash-Proof Motor. Not merely because these motors are *designed* for uninterrupted operation in wet areas. But because R & M engineers insist on double-checking their own precise calculations by splashing water over the motor to make certain none gets inside.

That's the type of engineering thoroughness you can depend upon if you have the problem of finding the right motor for your particular application. Write us! We'll be glad to help. That also goes for problems of materials handling, converting machines to direct drive, ventilating, or pumping. Address: Robbins & Myers, Inc., Springfield, Ohio. In Canada: Robbins & Myers Co. of Canada, Ltd., Brantford, Ontario.

ROBBINS & MYERS, Inc.

FOUNDED 1878

MOTORS · HOISTS · CRANES · MACHINE DRIVES · FANS · MOYNO PUMPS

taxpayers' dollars—and also because employment in shipyards is shrinking—the commission lopped off two-thirds of its annual publication fund.

So far there have been no fatalities among the morale-builders. Some of the yard publications with low circulation already were not required to retreat. Those with big budgets and staffs were the hardest hit.

Teamsters Win

A.F.L. union takes a round in its jurisdiction battle with C.I.O. at Detroit. Labor board chairman condemns squabbling

The Teamsters Union (A.F.L.) has won a new round in its focal battle in Detroit with the United Retail, Wholesale & Department Store Employees Union (C.I.O.). The regional war labor board has approved a new pay arrangement for employees of the Dossin Food Products Co., as sought by the teamsters, an action tantamount to recognition of the A.F.L. union.

• **Importance Magnified**—Jurisdiction disputes have flared at Dossin's, a Pepsi Cola distributor, for almost two years. Because drivers of many other soft drink and beer companies may fall in line with the final result at the Dossin bottling works (BW—Jul. 1 '44, p. 10), the acquisition of the 300 workers there has been magnified far beyond normal importance to the unions.

The latest labor board order provides for time-and-one-half pay after 48 hours instead of time and one-third after 40 hours, as written into a one-year contract between the company and the Teamsters Union effective last March.

• **Ruling Is Criticized**—This approval was bitterly attacked by the C.I.O. representative on the grounds that the Dairy, Bakery, Canning & Food Workers Division of the state employees union won a bargaining election at Dossin June 15, 1944. (When the C.I.O. union won the election, the teamsters notified Dossin's that their contract continued until next March and that all shipments would be embargoed if the company negotiated with the C.I.O.)

The validity of the pay order, however, was defended by the rest of the board on the grounds that the National Labor Relations Board has not issued any complaint against the company's refusal to bargain, despite the outcome of the election, and that a three-month time limit for filing one has passed.

The Dossin case may come to a head during the next few weeks, when the

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How Television Got Its Electronic "Eyes"

as revolutionary as airplanes without pro-
tellers—that's how much electronic tele-
vision differs from the earlier mechanical
vision!

Whirling discs and motors required for
mechanical television were not desirable
for home receivers. Pictures blurred and
jerked.

But now, thanks to RCA research, you
will enjoy all-electronic television, free from
mechanical restrictions—"movie-clear" tele-
vision with the same simplicity of operation
as your radio receiver.

Such "let's make it better" research goes
into everything produced by RCA.

At RCA Laboratories, world-famous sci-
entists and engineers are constantly seeking
new and better ways of harnessing the un-

believable forces of nature... for mankind's
greater benefit.

Electronic television is but one example
of the great forward strides made possible
by RCA research—opening the way for who
knows what new miracles?

When you buy an RCA radio or phono-
graph or television set or any RCA product,
you get a great satisfaction... enjoy a
unique pride of ownership in knowing that
you possess the finest instrument of its kind
that science has yet achieved.



**Dr. V. K. Zworykin, Associate
Research Director and E. W.
Engstrom, Director of Research at
RCA Laboratories, examining the
Iconoscope or television "eye"—
developed in RCA Laboratories
for the all-electronic television
system you'll enjoy tomorrow.**

RADIO CORPORATION of AMERICA

PIONEERS IN PROGRESS



present contract runs out. At that time the C.I.O. can be expected either to call for another election or to press the management for the bargaining rights it claims are due it as the winner of last June's election.

• **Tried Everything**—But there still remains the riddle of how to take effective action after the failure of most of the tactics in the C.I.O. book. These have included an almost continual—and ineffective—strike since last April, punctuated by picket line fights, a demonstration before the United States Employment Service offices, and intermittent protests before the regional war labor board and NLRB.

The decision on the Dossin pay rates was accompanied by a stern condemnation by Louis C. Miriani, chairman of the regional labor board, of interunion squabbling over rights. Miriani predicted congressional action if jurisdictional disputes do not cease. He said that the labor organizations themselves, not public agencies, should clean up jurisdictional arguments.



MEMBER WITH A SHOVEL

Around at the rear of Chicago's exclusive Union League Club, Kenneth Johnson heaved coal last week under direction of Hugh Batterham, a doorman who customarily bows Johnson, a member, in the front entrance. Johnson, vice-president and sales manager of Wright Coal Co., has worked daily from 6:30 a.m. to 9 p.m. on company trucks since last December because of the labor shortage.

Petrillo Undaunted

A.F.M. sits tight in row with networks as reaction in Congress grows. More strength for NLRB is not unlikely.

It is now up to the National Labor Relations Board to decide whether two major radio networks shall deal with James C. Petrillo's American Federation of Musicians (A.F.L.) or, as an NLRB trial examiner recommended last week, with the National Assn. of Broadcast Engineers & Technicians to negotiate contracts for record changers (BW—Feb. 10'45, p108). It is not unlikely, however, that an attempt will be made to strengthen NLRB's hand by some form of congressional action.

• **Strike Threat Cited**—A New York hearing brought arguments by the National Broadcasting Co. and Blue Network that they had refused to bargain with N.A.B.E.T., an independent union, certified by NLRB as bargaining agent for the "pancake turners," because A.F.M. had threatened to tie up broadcasting with wildcat strikes if they did. The trial examiner passed testimony in support of this along to the board, but held that it is "the paramount and plain duty of the respondents . . . to obey the mandate of the Congress as expressed in the National Labor Relations Act, and to bargain with the N.A.B.E.T."

This was a recommendation only, and the networks, N.A.B.E.T., and Petrillo all sat tight, pending official NLRB action.

• **Demands New Jobs**—Meanwhile, congressional reaction against Petrillo was growing. A series of "featherbedding" demands—which would require employment of musicians to fill nonexistent jobs—was being argued before the National War Labor Board by the A.F.M. at a time when the heat was on Congress to fill manpower shortages in critical war industries by controversial labor draft legislation (BW—Feb. 10'45, p17). The two were hard to reconcile.

Moreover, Petrillo was in open defiance of the Congress over a minor issue which was being magnified suddenly to major proportions—whether concerts originating at the National Music Camp for school children at Interlochen, Mich., could be broadcast. • **Amateurs Banned**—Under orders by Petrillo—aimed at protection of professional musicians' jobs—networks and radio stations have been prevented for two years from broadcasting programs by the Interlochen Camp.

Stirred by complaints, Sen. Arthur

Vandenberg introduced a bill in Senate making it unlawful to interfere with the broadcast of "any commercial, educational, or cultural program presented by an academically credited and tax exempt educational institution." The Senate passed the

Petrillo, however, did not delay challenge. A.F.M. announced that Interlochen Camp had been placed on the union "unfair" list. Henceforth union musicians will be allowed to work there (many had found Interlochen a profitable connection during school vacation periods) and radio stations with A.F.M. contracts must not broadcast Interlochen programs.

• **Private Doubts**—Sponsors of the completed congressional action were quick to point out that if their bill passes, Petrillo could be prosecuted under a conspiracy clause in their bill if the House approves it. Privately, however, there is a belief that their bill has been called, and that under the as it now stands their cards cannot stand up in a showdown with Petrillo whose ace is an iron grip on the national professional musicians.

Bid for Veterans

Unions get job protection and better pay for returning servicemen. Strong drive for support gets under way.

Labor means business in its bid for soldier support. In two recent cases the automotive and electrical industries the results were measured in a manner to the veterans' understanding: job protection for veterans employed by a company for the first time, fatter paychecks for other veterans returning to their jobs.

• **Seniority Granted**—This was—and is—labor's answer to the problem of winning over to unions the millions now in uniform, a group which offers the most fertile field for seeds of postwar labor management discord (BW—Dec. 30'44, p104).

First application of the "most favored clause" of the United Auto Workers (C.I.O.) came in time to protect the jobs of 500 veterans employed for the first time by the Packard Motor Car Co. in Detroit.

Included in a list of approximately 5,000 workers to be laid off under temporary cutback order, the veterans were given seniority sufficient to remain on the job when Packard became the first major automobile or aircraft company to sign U.A.W.'s veteran clause which allows accumulated

Sinclair Lewis has her mellow with mirth . . .



**...what a moment, Colgate,
for your message!**

*

HE'S young—so she likes to live and laugh and love. She's young—she likes to look forward and dream and plan. She's young—so she likes to read *Cosmopolitan*. She is finding huge enjoyment in a story by Sinclair Lewis—one of the brilliant authors who fill every issue of *Cosmopolitan*. And she feels like a friend of all the world!

Cosmopolitan publishes the finest writers, because our editors know that great writing makes great reading. Great reading mellows the mood. It exercises the emotions. It sets *Cosmopolitan's* young audience to longing for the better things of life. Think what that means to your Palmolive Soap advertising, Colgate! Think what that means to Colgate

Dental Cream and Tooth Powder, to Cashmere Bouquet products, Halo Shampoo and Super Suds. Keep talking to her about Colgate-Palmolive-Peet products while she's under the magic spell of Sinclair Lewis... Louis Bromfield... Faith Baldwin. For Emotion makes wars. Emotion makes marriages. Emotion makes sales!

*An advertiser in *Cosmopolitan* since 1917

Cosmopolitan

GREAT WRITING MAKES GREAT READING

Emotion makes Wars ✓
Emotion makes Marriages ✓
Emotion makes Sales ✓



Tough Problem + Stainless Steel = Product Improvement

Making a "tin can" go off at just the right moment—at just the right depth—is the job of a special fuse. Carpenter does not make the depth bomb fuse, but Carpenter Free-Machining *Stainless #S* goes into the fuse firing point and plunger, to protect these vital parts in the mechanism from corrosion.

Protecting all sorts of mechanisms from corrosion will be the big job of *Stainless* after this war, as it is today. More parts in automobiles and airplanes—in control instruments—in valves—in office equipment—will be *Stainless*. Yes, you'll find *Stainless* in every type of mechanical part that must remain permanently rust-free and easy-operating.

Peacetime and wartime experience has taught designers and

engineers valuable lessons. They recognize how indispensable the corrosion-resistant qualities of *Stainless* are in safeguarding the money and time invested in precision products. They know it's sound economy to fit *Stainless* into blueprints whenever they can—and they're doing it in drafting rooms all over the country.

Production men, too, know that the use of *Stainless* need not be costly. Carpenter *Stainless*, for instance, has proven how its easy-working qualities can lower unit costs and cut rejects to a minimum.

Your nearby Carpenter representative will be glad to help you select *Stainless* that will most exactly meet your requirements, at less cost. Call him in today.

The Carpenter Steel Company, Reading, Pa.

Carpenter STAINLESS STEELS



BRANCHES AT
Chicago, Cleveland, Detroit, Hartford,
St. Louis, Indianapolis, New York, Philadelphia



seniority for time spent in military service.

• **Higher Pay**—Application of a new contract with the Wagner Electric Co. of St. Louis forced the company to back wages amounting to a total of \$2,000 for 29 veterans who were hired to their former jobs. The company had placed the men on the payroll at their old rate.

U.E. stipulates in its contract that returning veterans must receive the same benefits that they would have gained if they had not left the plant, including wage increases granted during their absence to men doing similar work. The dispute was settled through arbitration procedure with the union the winner on all points.

First major attempt to sell the new clause will be made in contract negotiations with General Electric and Westinghouse.

• **Credit for Service**—The U.E. contract specifies that new employees will receive seniority credit for military service after Sept. 1, 1940, effective after they are given a job; disabled veterans who return to the plant may be employed in any capacity without regard to seniority, and former employees who return from military leaves are entitled to receive vacation pay which they have accumulated prior to departure for military duty, the merchant marine, or the Red Cross.

WELDERS' FEUD REVIVED

The flare-up of welders which impeded construction of new ships at the Todd Pacific shipyard and repair of old ones at Todd Dry Dock Co. in Seattle last week was a revival of the old feud between the United Brotherhood of Welders, Cutters & Helpers (independent) and the A.F.L. Metal Trades Unions (BW—Feb. 7 '42, p16).

The A.F.L. unions possess sole jurisdiction under the master agreement controlling all West Coast shipyard and welders must hold membership cards in whichever of the crafts they work with.

In this case a welders' union sponsored by the A.F.L. boilermakers touched off the strike of 1,000 independents by requiring the employer to fire six welders for allowing their boilermaker membership to lapse.

Kenneth B. Colman, regional officer of the War Production Board, appealed to the strikers to resume work while peace negotiations are in progress, but the independents were firm. Their demand: that the National Labor Relations Board conduct an election among the welders to determine their choice of affiliation. Chances: slim.

THE WAR AND BUSINESS ABROAD

BUSINESS WEEK
FEBRUARY 17, 1945



You can look for a series of rapid-fire developments now that the conclusion of the Crimea conference of the Big Three has been announced (page 15).

In Europe, all-out Allied attacks will be launched against both Germany's eastern and western fronts.

Russia's program after taking Berlin is a continuing drive across northern Germany to cut Hitler's contact with Nazi-held Denmark and Norway and to grab the important ports of Hamburg, Bremen, and Emden.

Immediate objective of the western Allies is the vital Ruhr industrial zone, without which organized Nazi resistance cannot continue very long. After the Rhine is crossed and the Ruhr Valley overrun, Eisenhower's forces will drive east to join the Russians.

No formal Nazi surrender is anticipated.

Instead, under the steady pounding of Allied guns and Allied propaganda, German resistance is expected to break down piecemeal.

According to intelligence officers already working inside Germany, dissension will spread far more rapidly as soon as panicky German civilians and hastily mobilized last-ditch home forces come in direct contact with tightly organized and superbly equipped Allied armies.

Even if fanatical Nazis fight it out from hideaways in the mountains of southern Germany, a provisional German government selected by the Allies will be installed somewhere in occupied northern territory, and the job of enforcing the terms of the Crimea accord will get under way.

Despite the specific threat to "eliminate or control all German industry that could be used for military production," don't look for the mass transplanting of the Reich's heavy industry (page 120).

Two-thirds of Hitler's war plant was located in the Ruhr, the Saar, and Silesia.

The Ruhr and Saar, if not given permanently to France, will unquestionably be put under direct Allied supervision. Their internationalized coal mines and steel mills will then be assigned the task of meeting Allied reparations demands.

Silesian industries, likewise, may be handed over to a reconstituted Poland or be internationalized along similar lines.

Principal remaining industries with a war-making potential outside these three zones are made up of the aircraft and chemical plants scattered through northern and central Germany.

Just because they formed no part of the revealed Crimea agreement, don't think that Moscow has abandoned its realistic plans to demand vast numbers of common laborers and skilled German workers as a part of reparations in kind.

Blueprints for the rebuilding of such war-wrecked centers as Stalingrad, Kiev, Sevastopol, and Odessa have already been completed.

In each case, the Germans will be assigned parts of the rebuilding job, including the installation of equipment built to Soviet design in the internationalized factories of the former Reich.

In the Far East, groundwork is also being laid for vast military operations as

THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK
FEBRUARY 17, 1945

soon as the end of formal resistance in Axis Europe makes this possible.

While the Philippines are being reorganized into a major base for an assault on the Japanese-held China coast, Free China is being reorganized into a more effective fighting force.

Beginning Feb. 1, Chungking started a systematic reduction of military personnel by nearly 30%.

Remaining forces will be completely equipped with modern arms, and will receive important pay increases.

By the time American forces are ready to strike at the China coast from the Philippines, Chungking's reorganized troops will be ready to strike simultaneously from the interior.

Supplies now rolling over the reopened Stilwell Road are selected to meet specific demands of the forthcoming two-way blow and traffic will remain at peak levels until Chinese ports are captured and turned into supply bases.

At home, plans will be pushed to crystallize Washington's stand on international issues.

Judge Rosenman's visit to Europe is intended to provide Roosevelt with specific and telling arguments for demanding that credits to liberated areas be provided immediately.

Rosenman's return will be the signal for hot pressure on Congress to:

- (1) Pass the Bloom bill for modification of the Johnson act.
- (2) Plan and pass legislation strengthening and extending the lending and guarantee powers of the Export-Import Bank.

Incidentally, Warren Lee Pierson, president of EIB, wants the bank's present lending limit of \$700,000,000 upped to \$2,000,000,000.

State Dept. officials optimistically talk of a \$7,000,000,000 credit reservoir.

Also a part of this country's systematic planning of foreign economic developments is the Pan-American conference of foreign ministers opening in Mexico City on Feb. 21 (BW—Jan. 6 '45, p112).

Washington has shrewdly staged the meeting—where long-term trade and industrial plans for this hemisphere will be the major item of discussion—in the one country where a joint economic mission has just completed two years of successful, basic planning for widespread industrialization.

Object of State Dept. bigwigs is to show what can be accomplished on a cooperative planning basis to encourage the creation of similar joint economic missions in other countries.

Obviously coached by Washington, Mexican officials will announce next week that a trade mission headed by Gilberto Valenzuela, former minister to Britain, will leave in March for a tour of Britain, France, Belgium, Holland, and Switzerland.

Meanwhile another U. S. company has launched its business in Mexico.

In a full-page advertisement in Mexico City's Excelsior, Fruehauf Trailer Co. de Mexico, S. A., has just announced that it will be ready in March to make deliveries on locally assembled trucks and trailers.

France at Work

Nine plants manufacture heavy-duty tires, but output is only 10% of needs. Cotton mills are idle for lack of lint.

Even before the first faltering steps were taken to put French civilian industry back to work on a minimum scale (BW—Feb. 10'45, p113), military orders estimated at around \$1,000,000,000 were placed in French plants. Essential materials to speed part of this production moved to France under military priorities.

And yet in the United States only a slim outline of this program is available, even in top military supply quarters.

Some for Civilians—The program, initiated by the U. S. Army Service Forces, includes: 2,600,000 uniforms for U. S. troops; 200,000 heavy-duty tires; millions of 5-gal. "jerricans" and 55-gal. drums; 200,000,000 b. ft. of lumber; 500,000 drawing instruments; 3,000,000 light bulbs; \$10,000,000 worth of X-ray film; 90,000 tons of cement; and 100,000 gal. of paint. A small part of several of these programs is scheduled for French civilian use.

What French plants are to be used for this production is not known in Washington. Additional plans of authorities overseas are revealed only when urgent requests for machinery, blueprints, or raw materials are received home.

Tire Repairs Abroad—Recognizing the possible dangers inherent in this system of overseas contracting, Washington has established a staff to France to set up a coordinating and reporting agency, and has recalled technicians to report on French contracts and production. Among the first to return was the tire expert.

Tires are discarded by the 500,000 vehicles operating in the European war theater at the rate of 5,000 a day; those that are beyond repair must be replaced. At the turn of the year 100,000 tires were awaiting repair in France.

To overcome the repair problem, 5,000 pieces of tire-repairing machinery and materials—totaling 3,000 tons—were shipped early in January to equip Army Ordnance companies with facilities to repair 40,000 tires a month in Europe.

U. S. Synthetics Used—During the German occupation, French tire factories were converted to the use of German synthetics. Quick tests with American synthetics proved the plants could be converted easily, and materials were rushed to France to get production started (BW—Dec. 9'44, p18). Last week nine plants were making military and civilian heavy-duty tires (part of production will go to revive French transport).

Among those plants now at work are the Goodrich plant in Paris and the Michelin plant at Clairmont-Ferrand, 200 mi. south of Paris—a late-starter because transport of materials proved difficult. Identity of other plants, some of them still susceptible to enemy attack, must remain secret. All plants are reported at work at a rate above that achieved for the Germans, but output is only 10% of combined military-civilian requirements. Output will be shared by the military and civilians in accordance with utmost need.

Although the U. S. has shipped tire cord to France, French rayon mills are capable of taking over this end of the materials problem.

• Rayon Output Drops—Only fragmentary data are yet available on the French textile industry.

During the occupation a large portion of French textile capacity was converted to rayon production, for which Germany supplied pulp. As a result, French rayon capacity rose to an estimated 5,000 tons a month, which amounts to about double the prewar production.

At the moment, however, the rayon mills are operating at about 10% of capacity (or 500 tons a month) and are running short of materials. According to reports, the mills have on the average a 1½-month stock of pulp. An equivalent amount of finished fabric is available for tire cord production. One plant is producing 400 tons of tire cord monthly.

• Cotton Mills Idle—French cotton mills, despite the Army's authorized program for uniforms, are totally inactive for lack of cotton. Their spindles are empty, and experts predict that none of the mills can reach a steady output of usable cloth before April. Not one ton of U. S. cotton has arrived in France—although some may now be en route. It is reported that if all the cotton now scheduled to go to France in 1945 were equitably distributed among the mills it would barely fill the



CARFARE FOR THE RETURN TRIP

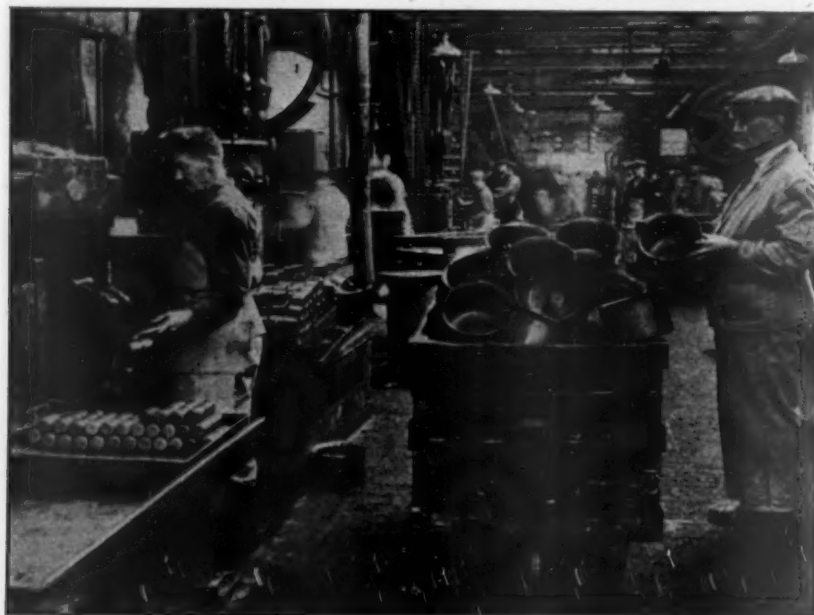
Dr. Alexander Loudon, Netherlands Ambassador to the U. S., starts a round of signatures to an agreement which releases \$100,000,000 (BW—Oct. 14'44, p115) for Dutch reconstruction—the first postwar credit extended by the New York market to a foreign government. Security for the amount is reported to be Netherlands' gold now in the U. S. for safe-keeping. This private loan, made up by 14 Manhattan banks at 1½% interest, may set a precedent for a series of similar deals with other nations whose credit standings will permit them.

machines, leaving hardly a yard of finished cloth.

The job, therefore, is to select a few key mills and pour imported cotton into them to get production quickly—perhaps by May. Plans for restarting French and Belgian mills have been worked out by textile subcommittees of the military-civilian Four-Party Committees in Paris and Brussels (composed of United States and British civilian representatives, SHAEF military delegates, and French or Belgian government and industry representatives).

• **Gloomy Outlook**—The prospect remains dim. France normally supplied all of the textile needs of its North African colonies. It will not be able to meet even its own civilian and military needs for more than a year according to present guesses, and the U. S. must continue cloth shipments to Africa at the rate of 40,000,000 yd. annually. The critical factor is imported raw materials.

The French textile industry alone imported 90,000 tons of raw materials monthly before the war. Today France has been allocated only 100,000 tons of shipping a month with which to import raw materials and finished goods for the entire civilian economy.



ONLY THE BAREST NECESSITIES

In a British factory, alternate die presses punch out shell linings for battle, sorely needed pots and pans for the home front. Like the U. S., Britain shelved reconversion plans after Allied reverses in Belgium, but continues piecemeal manufacture of domestic utensils when manpower is available and such production does not interfere with the war effort. The program of replacement became necessary after the 1940 blitz, was stepped up after last year's V-bomb attacks, but production levels are low. Example: Britain's production of table knives in 1935 totaled 24,000,000; last year only 4,000,000 were produced.

Mexican Sulphur

Development of deposits is ordered by Camacho to give country's expanding chemical industry a supply of acid.

MEXICO, D. F.—Fully aware of the importance of developing, if possible, rich domestic supplies of sulphuric acid for the expanding chemical industry, Mexico is laying plans for the exploitation of large sulphur resources long known to exist in southern Mexico.

• **U. S. Experts Will Aid**—In a recent order promulgated by President Avila Camacho, Nacional Financiera, S. A., a semiofficial investment bank, was instructed to form a 100% Mexican corporation to exploit the sulphur domes south of Puerto Mexico, the northern terminal of the Tehuantepec Isthmus railroad. This means that the new supplies of sulphur can be shipped over existing rail lines to the industrial centers of Mexico City, Veracruz, and Monterrey.

The modern Frasch system (underground sulphur liquefied by injection of

steam and compressed air) will be installed at the new mines, with machinery and technicians imported from the U. S. in a desperate effort to meet the competition after the war of low-cost sulphur produced in Texas. Production capacity is estimated now at 100,000 metric tons a year.

• **Acid Plants Authorized**—Without waiting for completion of this new project in the south, Nacional Financiera is going ahead with plans for sulphuric acid plants to utilize the new supplies of raw material.

A small sulphuric acid plant with daily capacity of 50 tons is being constructed at San Luis Potosi, north of Mexico City, and a second plant to make ammonium sulphate is being planned for construction at Mondrón, home of the country's new iron and steel works.

Expanded sulphur mining, besides boosting the country's burgeoning chemical industry, is expected ultimately to help provide cheap artificial fertilizers for Mexico's seriously overworked farmlands.

TIN PRICE RAISED AGAIN

For the second time since the U. S. entered the war, the price paid for Bolivian tin has been boosted. In 1944 the 48½¢ free-boards-ship price (in U. S.) was increased to 60¢, f.o.b. South American ports. The price is now believed to be set at 63½¢, retroactive June 30, 1944.

Although it has been reported that the new labor clause has been introduced in the latest contract with Bolivian companies, a standard social clause has always been a part of U. S. contracts for the import of strategic raw materials. This clause binds the seller to observe wage and labor laws of his own country, provide adequate safeguards against accident, and furnish workers with suitable shelter, sanitation, medical treatment, and, if necessary, to assure an adequate food supply at a reasonable cost.

A second part of the social clause commits the seller to match, up to an agreed sum, expenditures of the buyer on programs to promote the health and safety of workers employed in the production of the strategic material.

ISLAND GETS LABOR LAW

SAN JUAN, P. R.—Wage and hour regulations affecting 12,000 retail workers go into effect in Puerto Rico April.

In granting wage increases totaling \$1,500,000 yearly, the Insular Minimum Wage Board divided the island into three zones according to population. Minimum salaries: \$12 per week

HIGHWAY TRANSPORT . . . VITAL TO VICTORY AND THE AMERICAN WAY OF LIFE



Anchors Aweigh on the Highway

It's quite startling to see a huge deckhouse of a warship rolling along the road, isn't it? But this is a familiar sight to those traveling the highways near a Great Lakes shipyard which moves ship sections a hundred miles by motor truck.

Another mid-western concern regularly loads landing boats from Lake Michigan in New York via truck. In the East, trucking companies have carried everything from lifeboats to 18 by 24 foot smokestacks for Naval vessels. Out West, even prefabricated sections of warships weigh-

ing 60 tons and Naval Barges 120 feet long have been transported by motor truck.

America's colossal Naval construction program, providing for 14,000 vessels and 30,000 landing craft by the end of 1944, could never have been accomplished without the help of our inland industries.

Today, it's Anchors Aweigh on the Highway because these inland shipbuilders have found that motor trucks usually supply the shortest, speediest and, sometimes, the only method for transporting their products.

In addition to being one of the largest producers of military vehicles, GMC is also building many commercial trucks for essential users. If you are eligible for a new truck, your GMC dealer will gladly help you fill out an application. Remember, too, your GMC dealer is headquarters for the original Preventive Maintenance Service.



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CANADA

Uneasy Rivals

Canadian ballot is in order, but parties face uncertainty of conditions under which campaign will be conducted.

OTTAWA—Canada is in the midst of political uncertainty. A general election is in order, and swiftly moving events in Europe make it impossible for the government or its opponents to know whether the election will be held under war or peace conditions.

• **Must Act Soon**—While Prime Minister Mackenzie King is pondering the election date—it must be set by Apr. 17, the day on which the five-year-old Parliament must be dissolved—opposition party organizations are busy preparing for a campaign.

The prevailing uncertainty pertains not only to the election date, but also to whether the voting, when it comes, will give any party a sufficient majority to assure a stable government for the first five difficult postwar years.

• **Bond Workers Worried**—At least one group in Canada is watching the election date issue with uneasiness. That is the National War Finance Committee, composed of bankers and bond dealers mobilized for war service, who are working busily on plans for the semi-annual victory loan scheduled for the end of April.

The election cannot be held less than 60 days after dissolution of Parliament (currently prorogued to Feb. 28). If Parliament is disbanded at the end of this month an election could be called for the end of April—at the earliest—or for this fall—at the latest.

It is generally agreed that a loan campaign and an election cannot be carried on concurrently. It is difficult to change the date of the loan because its success depends, in part, on a payroll savings plan involving year-round deductions from pay checks. Deduction arrangements made a year ago terminate in April.

• **Want Late Election**—The loan administrators are pulling for a late rather

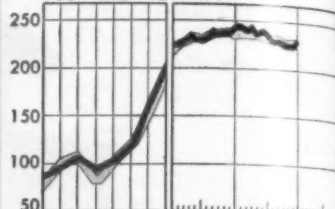
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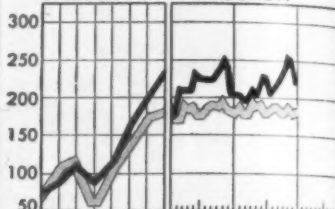
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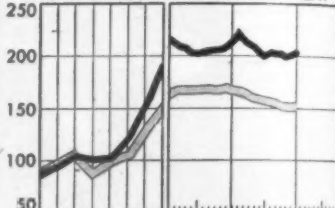
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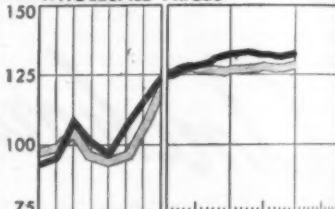
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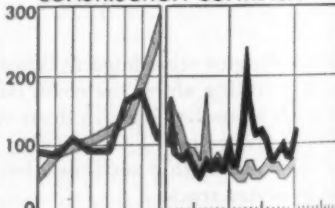
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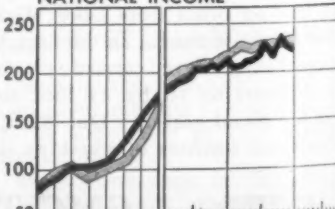
WHOLESALE PRICES



CONSTRUCTION CONTRACTS



NATIONAL INCOME



1935 1936 1937 1938 1939 1940 1941 1942 1943 1944 1945

© BUSINESS WEEK

an early election date in order to
them plenty of leeway to mop up
even bigger chunk of Canada's sav-
The \$1,500,000,000 objective of
last loan was well oversubscribed,
the new goal will be around
\$2,000,000,000.

CERTAIN FUTURE

the future of Canada's war-expanded
chemical industry is beginning to worry
awa.
since 1939, almost 60 new projects,
involving expenditure of \$160,000,000,
have been set up to meet the needs of
the war program. Production of chemi-
cals is estimated to have increased three-
fold, and the industry not only supplies
most of Canada's over-all needs but
also makes a substantial contribution to ex-
ports.
The industry's buildings and capital
equipment are valued at \$120,000,000,
it employs 10,000 people, and it has a
monthly payroll of \$18,000,000. It con-
sumes \$40,000,000 in materials, fuel,
and power.

C.F. BUYS BRICK PLANT

latest venture into government own-
ership of industry on the part of the
Canadian socialistic Cooperative Common-
wealth Federation administration of
Ottawa is purchase of Interna-
tional Clay Products, Ltd., with its
brick plant and clay deposits at Estevan
valued at \$150,000.

The provincial government is also
contemplating the purchase of the con-
trolling stock of Dominion Electric
Power Co., Ltd., with branches in both
Manitoba and Alberta, for \$450,000.
These developments must be approved
by the provincial legislature now in ses-
sion.

Other bills to be considered include
one to limit work hours to 48 a week
after the war, and to raise workmen's
compensation rates.

CANADA RENEGOTIATES

The Canadian Munitions & Supply
Dept. has revealed that \$200,000,000
has been recovered through renegotia-
tion of contracts let between 1941 and
1943.

Reason for renegotiation—in most
cases—has been a lowering of production
costs through increased volume (BW-
12244.p116). Many contractors volun-
tarily turned over unanticipated profits
on war orders to the government.

A substantial part of the \$200,000,-
000 would have come into government
hands in any case through excess-profits
taxes, but the net gain on renegotiation
is estimated at \$40,000,000.

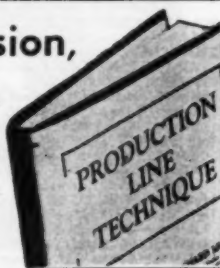
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THE MARKETS

(FINANCE SECTION—PAGE 54)

This week's news on the Big Three agreements at the Yalta conference (page 15) was greeted with much initial enthusiasm by investors and traders. Temporarily at least, Wall Street reacted with the first real "peace rally" as prices quickly started to rise sharply on heavy trading volume under the leadership of stocks which can be expected to reap the most benefits from the war's end and a return to civilian production.

• **Substantial Gains**—Particularly active and strong through Wednesday was the industrial section of the stock list, lead by the prominent steel, oil, and motors groups. Numerous blue chips representing other trades, as well as many of the specialty stocks, disclosed substantial strength, and daily price gains of \$2 or more were commonplace at times as well as quite widely scattered throughout the list.

As a result, both the Standard & Poor's and Dow-Jones industrial stock price averages moved to new 1942-45 bull market highs this week, and even better showings were registered by individual stocks. On Tuesday and Wednesday, for example, over 350 new 1944-45 highs were reached by various issues, including many traditional industrial bellwethers, and many of these also actually represented new price-peaks since 1937.

• **Rails Are Strong**—Many rail stocks were prominent participants in the upswing in prices early this week despite the fact that not so long ago traders had come to regard them as very definitely a member of the "war" group. Brokerage circles, however, explain that this is no longer the case. Earlier fears over the rail industry's postwar prospects have

been pretty much offset as investors recognized the great financial benefits carriers are now reaping as a result of their extensive debt retirement programs. Brokers report that much "smart" money is being placed in rail shares lately.

• **Some Inflation Fears**—Some Wall Street statisticians do not think that the avid purchasing evidenced this week has been due solely to the Yalta reports. They ascribe at least part of the interest to a further revival of inflation fears. They are engendered by worries over relaxation of price controls and the necessity for supporting a huge public debt in the postwar period, which would require the maintenance of much higher price levels generally than have been disclosed thus far.

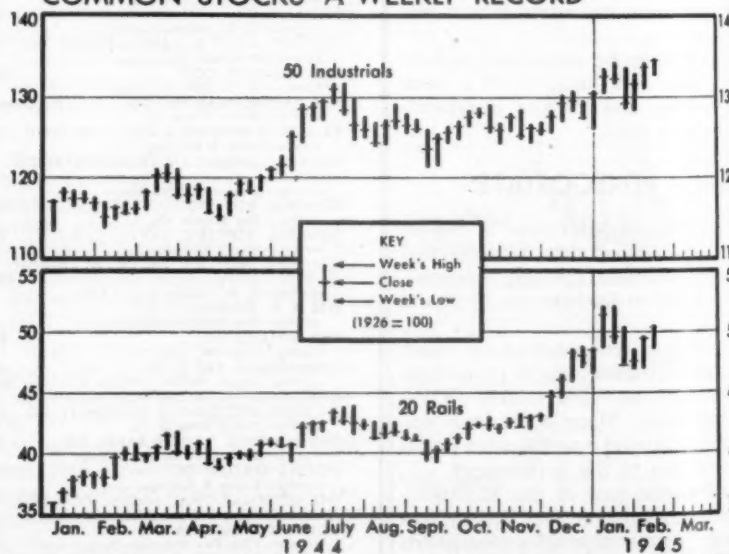
Whatever the reason for the upswing, most market students seem to agree that at the moment the path of least resistance, so far as the stock market is concerned, appears to be upward. Not to agree, however, that present stock market participants on the buying side are correct in their apparent beliefs that the potential hazards of the reconversion period have been overemphasized.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial ...	134.6	133.8	132.3	116.6
Railroad	50.4	49.4	49.6	39.7
Utility	61.0	60.7	57.9	50.0
Bonds				
Industrial ...	121.9	121.4	121.2	119.0
Railroad ...	114.3	114.0	113.7	106.6
Utility	116.6	116.5	117.1	116.6

Data: Standard & Poor's Corp.

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

THE TRADING POST

Planning Difficulties

The problem of postwar employment, at first glance, appear to have been pretty well explored by now. But there still are many blanks in the picture and they prevent putting the whole thing on a statistical basis.

Census figures show how many now are working, and where. Reliable estimates can be made of the number who will be discharged when war production is cut off. We know how many are in armed services, and approximately how many will be demobilized after victory.

National postwar employment goals have been established. Survey after survey has been made, by public and private agencies, in an effort to determine just what job opportunities will be available at the end of the war. But one of the greatest difficulties in arriving at a satisfactory figure on how many actually will be needed is lack of information that can be provided only by prospective postwar jobseekers.

An example of the trouble encountered in the search for such information comes from the Crosley Corp. of Cincinnati. This firm now employs about 10 times as many people as it did in 1919. A thousand or so former employees are in the armed services. Plant capacity has been materially expanded to meet war orders.

* * *

Recognizing that advance planning was needed, the corporation studied the probable demand for consumer durable goods and decided on the addition of several new items that could be turned out by its enlarged productive facilities. It has assisted distributors and dealers in rebuilding their sales and service organizations and has drawn plans for expansion of foreign sales. The one thing needed to complete its postwar planning was the number of present and former employees who would be seeking jobs with Crosley after the war. So an employee readjustment board, made up of four management and six union representatives, was set up. A special issue of the regular employee publication was prepared, in which an effort was made to outline fully the problem that confronts the nation, as a whole, and Crosley, in particular. The steps that had been taken to produce and distribute more goods were reviewed. A plan for re-employing veterans was revealed. It was announced that the readjustment board would assist

in placing employees in the kind of work which they were best fitted to perform, whether in the organization, with dealers or distributors, or completely outside the firm.

After the presentation of information on the basic postwar employment plan, the company sent a questionnaire to each employee, at his home. Workers were asked to say whether they planned to work for Crosley after the war, or whether they would seek work in another factory, a nonfactory job, return to school, resume home-making, retire, or go into business for themselves. A statement was sought reviewing work experience with the firm, experience before joining Crosley, and what job each would like best.

Each questionnaire was accompanied by a business reply envelope, which required no postage. Yet only 30% of the questionnaires were returned. A slightly different questionnaire addressed to former employees in the armed forces brought replies from 26%.

No one seriously believes that 70% of the employees of this firm will disappear from the labor market. But there is even less reason to believe that an accurate postwar employment picture can be obtained by projecting the returns from 30%.

* * *

This episode gives a clew to the tremendous problem facing those who are sincerely trying to meet the postwar employment challenge. Cincinnati is not listed among the congested production areas. The company is one of many in the country that expect to increase production and employment considerably above prewar levels. Difficulties in arriving at accurate estimates of job needs undoubtedly will be greater in those areas that have experienced large increases in population since 1940, and with firms that are not so far advanced in their postwar plans.

Even if it were possible to get a 100% response on what workers and returning soldiers planned to do, or wanted to do, after the war, the problem of getting them on jobs still would have to be solved. Available evidence indicates that so complete a response is impossible. It appears then that continuous study will be required from now on to keep abreast of all the factors that may have a bearing on postwar employment. Therein lies our only hope of filling a substantial number of the gaps in the over-all picture before peace actually comes.

W.C.



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THE TREND

THE ECONOMIC PROBLEM OF GERMANY

What to do with Germany? This week's Big Three agreement (page 15) leaves still unanswered the basic question: Along which economic road will postwar Germany be directed?

Big Three talk of major territorial shifts seems to rule out the return of disarmed Germany to the status quo ante aggression. In any case, 1937 Germany, while industrially powerful, was unable to supply one-fifth of its food needs and one-third of its requirements in industrial raw materials. It was so unbalanced that it felt it had to "export or die" (or expand by aggression), yet it was sufficiently balanced and strong enough to wage a mighty war. With normal industrial development in Europe and the rest of the world, it may be that within another generation Germany, held to 1937 boundaries and kept under wraps by force of arms, would be reduced to a second-rate power once and for all. But such a solution seems hardly in harmony with the Big Three's program.

• So we come to partition plans. Cessions to Russia, Poland, and Czechoslovakia may involve all Germany east of the Oder-Neisse rivers (including East Prussia, Silesia, and the Sudetenland)—the most productive agricultural areas—and will probably require repatriation of German populations to avoid pan-German trouble spots. In the West, the Ruhr-Saar steel-coal region may be put under international control, though the need for its trained workers would forbid their repatriation. Such a partition not only would weaken Germany but would further unbalance it—cutting off almost one-third of its 1937 food output, and over 80% of its coal-steel, as against only one-sixth of its population (BW—Dec.30'44,p97). The remaining Germany of fabricating industries—machinery, chemicals, textiles—would then almost completely lack raw materials and markets.

• Obviously, such a partition would not, by itself, be a long-term solution of the German problem. The Germany that was left either would have to be fitted into the world economy, or would have to be changed. One proposal is to transform its life into that of an agricultural economy. This would mean cutting Germany's standard of living down toward the at least 50% lower level of her eastern and southeastern agricultural neighbors. And it would presuppose either new foreign or domestic industrial suppliers to these neighbors, or a disruption of their economies.

But, furthermore, Germany's agriculture has always been high-cost, able to exist only by favor of very high protective tariffs. An agricultural Germany would find it almost impossible to trade its farm products for manufactures. In fact, so hugely are the political and economic complications of deindustrialization aggravated by the high-cost nature of German agriculture that not

only do most persons reject deindustrialization as undesirable, but many suggest, alternatively, deagriculturalization. They argue that a Germany shorn of farm tariffs would become so dependent on the outside—indeed, the seas—world for food as to be utterly unable ever to make war again. However, such a solution would only sharpen the need for fitting Germany into the world economy if it were not to become a political danger spot, both domestically and internationally, because of unemployment, malnutrition, and low living standards.

• Reparations in kind, depending on their nature and size, can also be a powerful determinant of Germany's economic future. The best reparations from the standpoint of the recipient would be German manufactures. For not only would foreign employment of German labor battalions constitute a political problem, but they are apt to be inefficient, as M. Boleslaw Bierut, Polish Provisional President, suggested last week. Furthermore, neither western nor eastern Europe has the trained labor to operate transplanted German industrial equipment, or even to fabricate the steel-coal of the Ruhr. Indeed, the most efficient combination of reparations to the United Nations would probably involve much rebuilding of German industry and transport! And, of course, such reparations cannot work if, to begin with, Germany is not provided raw materials and food adequate to sustain a minimum standard of industrial living.

The broader question, however, assuming that some minimum rebuilding and supply would solve the German problem, is whether reparations could continue in the longer term. After 1918, eastern Europe, which could have used industrial reparations, was in no position to demand them, while western Europe, which could impose them, could see no use for them in a competitive capitalist world burdened with overcapacity. This time eastern Europe can demand them, and devastated western Europe needs them. But for how long can the capitalist countries of eastern or western Europe go on taking reparations? And if they stopped, would Russia be permitted reparations indefinitely? And if the whole flow stopped, could postwar Germany's unbalanced, industrial economy be geared into world trade (as it was not successfully before this war)?

• What it all comes down to is that there is no simple long-term pattern into which partition, reparations, and industry-control can be fitted to meet all the United Nations aims of immediate compensation, destruction of German military power, and avoidance of a hot trouble spot in the center of Europe. There is no easy solution to the problem of what to do with Germany.

The Editors of Business Week

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